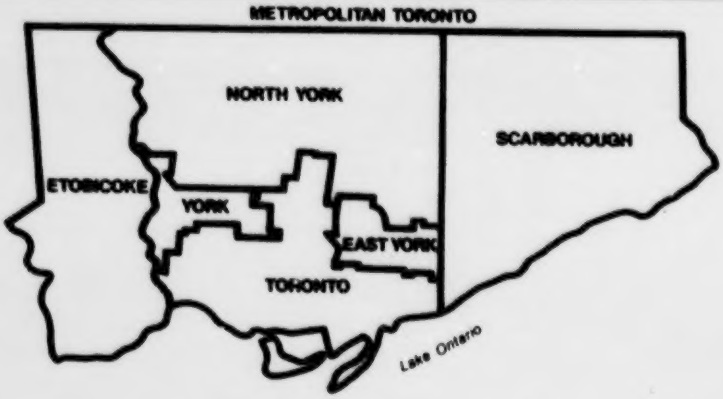
The Municipality of Metropolitan Toronto

1983 Annual Report of the Commissioner of Finance

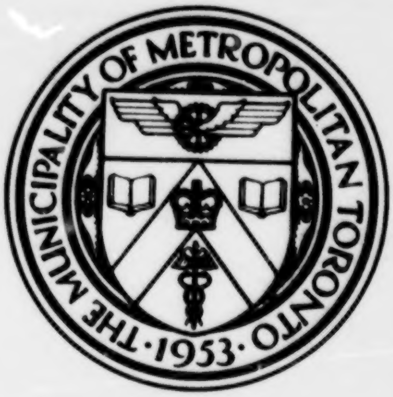
THE MUNICIPALITY OF METROPOLITAN TORONTO · 1953 ·


METROPOLITAN TORONTO
NORTH YORK
SCARBOROUGH
ETOBICOKE
YORK
EAST YORK
TORONTO
Lake Ontario

This logo was adopted by Council on June 23, 1978. It symbolizes the six area municipalities, independent yet interdependent, forming a union whose strength is greater than that of its individual parts.

The Metropolitan Corporation .... the first community in North America to adopt, as a concept and a structure for local government, a regional federation of municipalities ....

Official Seal of the Municipality of Metropolitan Toronto


THE MUNICIPALITY OF METROPOLITAN TORONTO
·1953·

Explanation

Winged Cogwheel - Represents Industry.

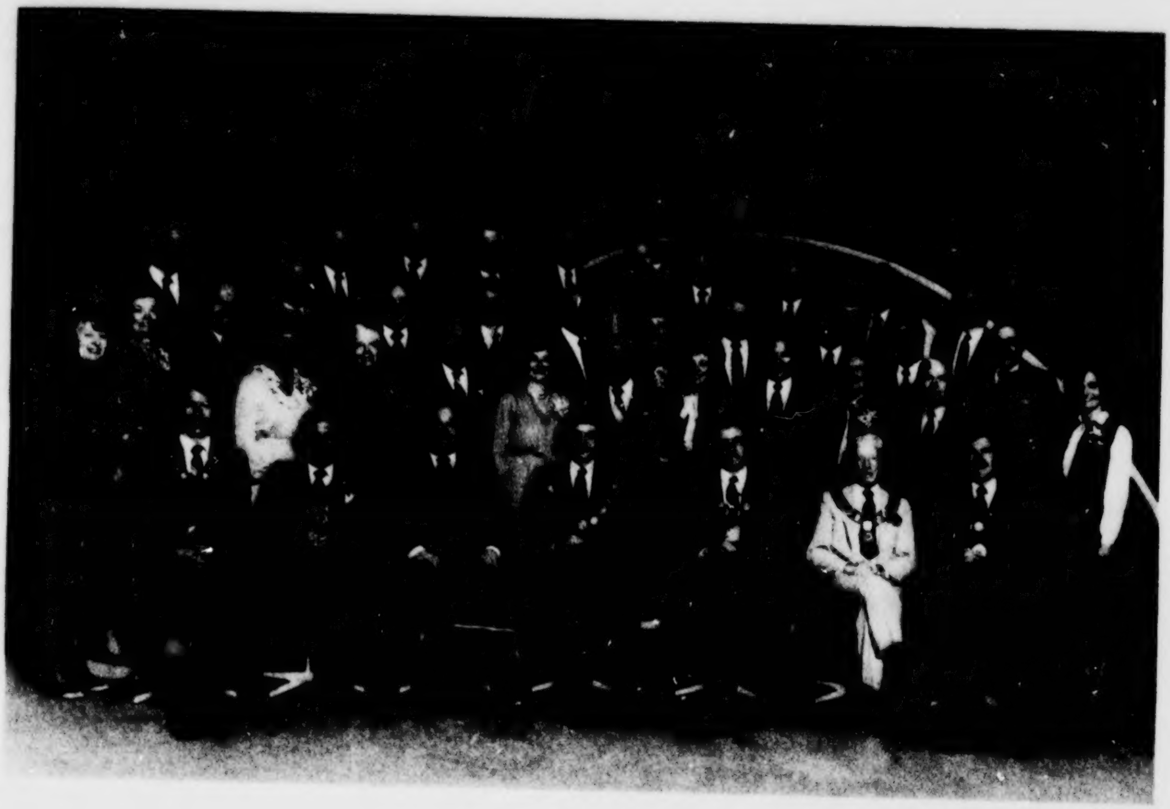
Open Books - Stand for Education.

The Imperial Crown - Commemorates Coronation Year of Her Majesty Queen Elizabeth II, in which year the Municipality was incorporated.

The Chevron - One of the well-known heraldic ordinaries derived from the gable of a house - suggests housing.

The Caduceus or Staff of Mercury, The Roman God of Commerce.

Metropolitan Council - 1983



Front Row: Mayor David Johnson, Mayor Mel Lastman, Mayor Dennis Flynn, Chairman Paul Godfrey, Mayor Arthur Eggleton, Mayor Gus Harris, Mayor Alan Tonks.

Second Row: Alderman Betty Sutherland, Alderman June Rowlands, Controller William Sutherland, Alderman Maureen Prinsloo, Controller Philip White, Alderman Florence Cruickshank, Alderman Ying Hope, Controller Joyce Trimmer, Controller Frank Faubert, Controller Barbara Greene, Alderman Joanne Campbell.

Third Row: Alderman Anne Johnston, Controller Carol Ruddell, Alderman Peter Oyler, Controller Dick O'Brien, Alderman Irving Chapley, Alderman Richard Gilbert, Alderman Mario Gentile, Controller Esther Shiner, Alderman Ben Grys, Controller Leonard Braithwaite, Alderman Fred Beavis, Alderman Milton Berger.

Rear Row: Controller Bruce Sinclair, Alderman Tony O'Donohue, Controller Robert Yuill, Controller Fergy Brown, Alderman Thomas Jakobek, Alderman Derwyn Shea, Controller Chris Stockwell, Controller Ken Morrish, Alderman John Sewell, Alderman Andrew Borins.

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Metropolitan Council - 1983

Chairman
*Paul Godfrey

Representatives

City of Toronto
Mayor Arthur Eggleton*
Alderman Frederick Beavis*
Alderman Joanne Campbell
Alderman Richard Gilbert
Alderman Ben Grys
Alderman Ying Hope
Alderman Thomas Jakobek
Alderman Anne Johnston
Alderman Tony O'Donohue*
Alderman June Rowlands*
Alderman John Sewell
Alderman Derwyn Shea

Borough of East York
Mayor David Johnson*
Aldermen Peter E. Oyler

City of Etobicoke
Mayor C. Dennis Flynn*
Controller Leonard Braithwaite
Controller Dick O'Brien
Controller Bruce Sinclair*
Controller Chris Stockwell

City of North York
Mayor Mel Lastman*
Controller Barbara Greene*
Controller Esther Shiner*
Controller William Sutherland
Controller Robert F.M. Yuill
Alderman Milton Berger
Alderman Andrew Borins
Alderman Irving Chapley
Alderman Mario Gentile
Alderman Betty Sutherland

City of Scarborough
Mayor Gus Harris*
Controller Frank Faubert
Controller Ken L. Morrish*
Controller Carol A. Ruddell
Controller Joyce Trimmer
Alderman Florence Cruickshank
Alderman Maureen Prinsloo

Clity of York
Mayor Alan Tonks*
Controller Fergy Brown
Controller Philip White

*Member of the Metropolitan Executive Committee

Heads of Departments - 1983

JOHN W. ACKROYD
Chief of Police

ALLAN G. ANDREWS
Metropolitan Auditor

WILLIAM A. BARKER
General Manager, Licensing Commission

R. J. BOWER
Commissioner of Planning

ROBERT G. BUNDY
Commissioner of Parks & Property

S. CASS
Commissioner of Roads & Traffic

JOHN H. DEAN
Commissioner of Ambulance Services

ALCIDE J. DE GAGNÉ
Commissioner of Management Services

PETER FERGUSON
Commissioner of Personnel

FRANCIS J. HORGAN
Commissioner of Works

A.P.G. JOY
Metropolitan Solicitor

JOHN P. KRUGER
Chief Administrative Officer

WALTER J. LOTTO
Metropolitan Clerk

J. RICHARD PICHERACK
Commissioner of Community Services

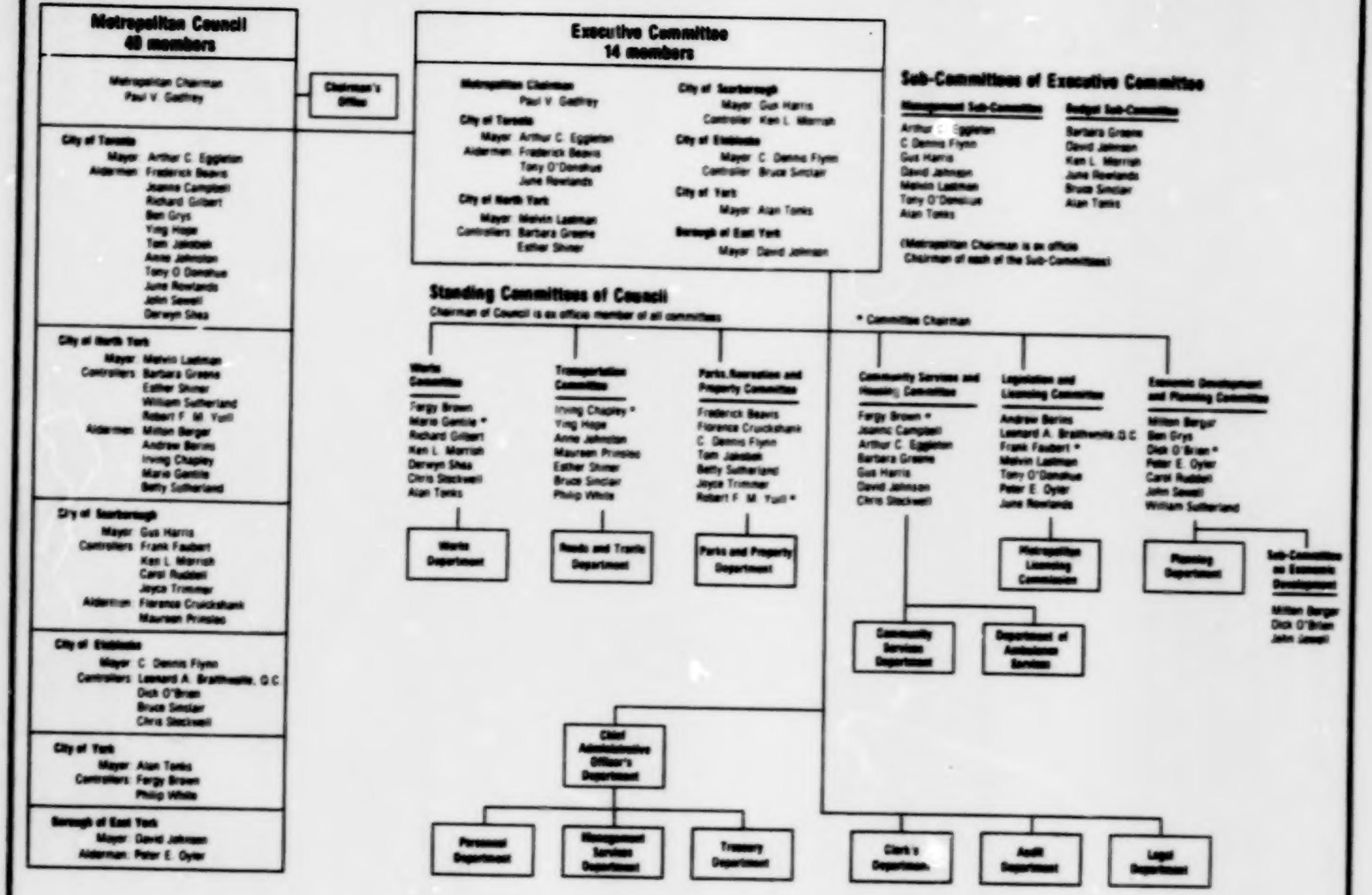
JOHN L. PICKARD
Commissioner of Finance and Treasurer

R. R. TOMLINSON
Commissioner of Social Services Division
of Community Services Department

Governmental Organization, 1983

Governmental Organization in Metropolitan Toronto, 1983

Council, Executive Committee, Standing Committees


Metropolitan Council
40 members
Metropolitan Chairman
Paul V. Godfrey
Chairman's Office
City of Toronto
Mayor: Arthur C. Eggleton
Aldermen: Frederick Beavis
Joanne Campbell
Richard Gilbert
Ben Grys
Ying Hope
Tom Jakobek
Anne Johnston
Tony O'Donohue
June Rowlands
John Sewell
Derwyn Shea
City of North York
Mayor: Melvin Lastman
Controllers: Barbara Greene
Esther Shiner
William Sutherland
Robert F. M. Yuill
Aldermen: Milton Berger
Andrew Borins
Irving Chapley
Mario Gentile
Betty Sutherland
City of Scarborough
Mayor: Gus Harris
Controllers: Frank Faubert
Ken L. Morrish
Carol Ruddell
Joyce Trimmer
Aldermen: Florence Cruickshank
Maureen Prinsloo
City of Etobicoke
Mayor: C. Dennis Flynn
Controllers: Leonard A. Braithwaite, Q.C.
Dick O'Brien
Bruce Sinclair
Chris Stockwell
City of York
Mayor: Alan Tonks
Controllers: Fergy Brown
Philip White
Borough of East York
Mayor: David Johnson
Alderman: Peter E. Oyler
Executive Committee
14 members
Metropolitan Chairman
Paul V. Godfrey
City of Toronto
Mayor: Arthur C. Eggleton
Alderman: Frederick Beavis
Tony O'Donohue
June Rowlands
City of North York
Mayor: Melvin Lastman
Controllers: Barbara Greene
Esther Shiner
City of Scarborough
Mayor: Gus Harris
Controller: Ken L. Morrish
City of Etobicoke
Mayor: C. Dennis Flynn
Controller: Bruce Sinclair
City of York
Mayor: Alan Tonks
Borough of East York
Mayor: David Johnson
Sub-Committees of Executive Committee
Management Sub-Committee
Arthur C. Eggleton
C. Dennis Flynn
Gus Harris
David Johnson
Melvin Lastman
Tony O'Donohue
Alan Tonks
Budget Sub-Committee
Barbara Greene
David Johnson
Ken L. Morrish
June Rowlands
Bruce Sinclair
Alan Tonks
(Metropolitan Chairman is ex officio Chairman of each of the Sub-Committees)
Standing Committees of Council
Chairman of Council is ex officio member of all committees
* Committee Chairman
Works Committee
Fergy Brown
Mario Gentile *
Richard Gilbert
Ken L. Morrish
Derwyn Shea
Chris Stockwell
Alan Tonks
Works Department
Transportation Committee
Irving Chapley *
Ying Hope
Anne Johnston
Maureen Prinsloo
Esther Shiner
Bruce Sinclair
Philip White
Roads and Traffic Department
Parks, Recreation and Property Committee
Frederick Beavis
Florence Cruickshank
C. Dennis Flynn
Tom Jakobek
Betty Sutherland
Joyce Trimmer
Robert F. M. Yuill *
Parks and Property Department
Community Services and Housing Committee
Fergy Brown *
Joanne Campbell
Arthur C. Eggleton
Barbara Greene
Gus Harris
David Johnson
Chris Stockwell
Community Services Department
Department of Ambulance Services
Legislation and Licensing Committee
Andrew Borins
Leonard A. Braithwaite, Q.C.
Frank Faubert *
Melvin Lastman
Tony O'Donohue
Peter E. Oyler
June Rowlands
Metropolitan Licensing Commission
Economic Development and Planning Committee
Milton Berger
Ben Grys
Dick O'Brien *
Peter E. Oyler
Carol Ruddell
John Sewell
William Sutherland
Planning Department
Sub-Committee on Economic Development
Milton Berger
Dick O'Brien
John Sewell
Chief Administrative Officer's Department
Personnel Department
Management Services Department
Treasury Department
Clerk's Department
Audit Department
Legal Department

TREASURER'S REPORT 1983

The Municipality of Metropolitan Toronto

1983 Annual Report

of the Commissioner of Finance

John L. Pickard, B.Com., F.C.A.
Commissioner of Finance and Treasurer

I am pleased to present the Annual Financial Report of the Municipality of Metropolitan Toronto for 1983 - a year which marks the 30th anniversary of the incorporation of the Municipality as a regional government in Ontario.

Included in this report are financial statements consolidating the operations of Metropolitan Toronto departments, boards, commissions and agencies carrying out both general municipal activities and functions of a municipal enterprise nature. Presented in the consolidation are the financial results of the following entities:-

Municipality of Metropolitan Toronto (including the Metropolitan Board of Commissioners of Police and the Metropolitan Licensing Commission)

Metropolitan Toronto Library Board

Metropolitan Waterworks System

Board of Management of the Metropolitan Toronto Zoo

Toronto Transit Commission

Gray Coach Lines, Ltd. (consolidating Gray Coach Travel Inc.)

Board of Governors of Exhibition Place

Board of Management of the O'Keefe Centre

These consolidated statements provide an overview and broad perspective of the overall financial activity for which the Municipality of Metropolitan Toronto is deemed to be politically accountable.

This report includes also the individual financial statements pertaining to each of the above entities, the Metropolitan Toronto School Board, the Metropolitan Toronto Housing Company Limited, and the following unconsolidated special purpose funds:-

Metropolitan Toronto Sinking Funds

Metropolitan Toronto Pension Fund

Metropolitan Toronto Police Benefit Fund

Metropolitan Toronto Board of Commissioners of Police Supplemental Pension Benefits Trust Fund

Finally, a Statistical Section, containing general information and comprehensive statistical data for the Municipality of Metropolitan Toronto, is provided to afford a broader and more complete understanding of the Municipality and its financial affairs.

Additional information and detail regarding the contents of this report together with other financial publications (e.g., debenture debt reports and prospectuses) may be obtained at the Treasury Department, Municipality of Metropolitan Toronto, 10th Floor, West Tower, New City Hall, Toronto, Ontario, M5H 2N1 or at the offices of the individual local boards, commissions and agencies of the Metropolitan Corporation.

Expenditure

In 1983, total gross expenditure in respect of the general operating activities of the Municipality and its consolidated local boards and municipal enterprises amounted to $1,516,614,000 (1982 - $1,375,444,000) as compared with a total gross operating budget of $1,554,260,000

The tables below detail the expenditure for the year classified by program and by object.

Program

(in thousands of dollars)

	1983 Budget	1983 Actual	1982 Actual	Increase or (Decrease)	Percent of Increase or (Decrease)	Percent of Total 1983 Actual
General government	49,358	**49,646**	62,101	(12,455)	(20.0)	3.3
Protection to persons and property	314,109	**315,461**	291,740	23,721	8.1	20.8
Transportation services	522,506	**515,725**	475,322	40,403	8.5	34.0
Environmental services	193,238	**184,710**	166,631	18,079	10.8	12.2
Health services	36,603	**34,368**	30,155	4,213	14.0	2.3
Social and family services	328,376	**312,926**	252,784	60,142	23.8	20.6
Recreation and cultural services	94,066	**98,650**	88,224	10,426	11.8	6.5
Planning and development	7,144	**5,128**	8,487	(3,359)	(39.6)	0.3
Other	8,860					
Total	1,554,260	**1,516,614**	1,375,444	141,170	10.2	100.0

Object

(in thousands of dollars)

	1983 Actual	1982 Actual	Increase or (Decrease)	Percent of Increase or (Decrease)	Percent of Total 1983
Salaries, wages and employee benefits	**844,252**	755,522	88,730	11.7	55.7
Materials, supplies, services, rents and financial expenses	**294,595**	268,753	25,842	9.6	19.4
Capital additions	**25,833**	21,386	4,447	20.8	1.7
Operating transfers to other funds	**21,125**	49,300	(28,175)	(57.1)	1.4
Other transfers	**169,786**	137,247	32,539	23.7	11.2
Capital financing charges	**161,023**	143,236	17,787	12.4	10.6
Total	**1,516,614**	1,375,444	141,170	10.3	100.0

The relative decline in expenditure in the "General Government" program in 1983 is primarily attributable to the fact that the 1982 equivalent expenditures of $62,101,000 include the sum of $14,394,000 transferred from current operations to a capital financing stabilizing reserve (see "Long-Range Capital and Financial Planning" section).

Included in the sum of $49,300,000 relating to the 1982 "Operating transfers to other funds" is the sum of $14,394,000 transferred to the capital financing stabilizing reserve as previously indicated, and this accounts, for the most part, for the relative decline in the equivalent total of such transfers in 1983.

As in the past several years, the operations of the Toronto Transit Commission, the Board of Commissioners of Police (included in the "Protection to persons and property" program) and the Social Services Department (in respect of general welfare assistance) received the largest portion (62%) of the operating funds to finance their activities.

The table below details total consolidated operating expenditures over the past six years in both current and 1978 constant dollars and on a per capita basis.

(in thousands of dollars except per capita figures)

	Expenditures in current dollars	Expenditures in constant dollars	Expenditures in constant dollars per capita
1978	854,028	854,028	397
1979	924,223	845,584	396
1980	1,044,932	868321	403
1981	1,173,755	866,997	400
1982	1,375,444	919,434	420
1983	1,516,614	958,224	448

Revenue

The three major categories of revenue of the Metropolitan Corporation are:

i) Levy Requisitions upon the constituent Area Municipalities (principally the general tax levy but including also the sale of water and the attendant sewer surcharge);

ii) Provincial grants (unconditional and specific); and

iii) Other operating and miscellaneous revenue.

The table below indicates the percentage portion of revenue that was contributed by each major source over the last five years:

	Levy Requisitions	Provincial Grants	Other Revenue	Total
1979	46	24	30	100
1980	45	25	30	100
1981	44	25	31	100
1982	44	26	30	100
1983	43	26	31	100

It will be observed that these components of the revenue dollar accruing to the Municipality have exhibited little change over the last few years. Details of each are as follows:

i) Levy Requisitions

General Tax Levy

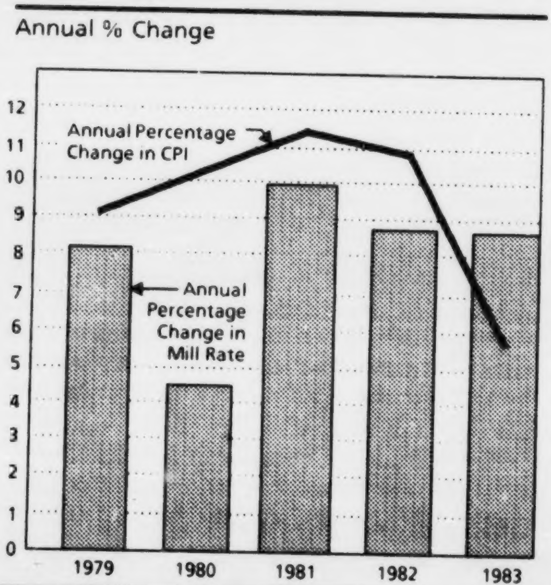
The method of determining the apportionment of the general tax levy on constituent area municipalities is explained in some detail on page 150 within the statistical section.

For purposes of comparing the Metro general levy in 1983 with that in 1982, the calculated "average equivalent mill rate" indicates an increase of 5.06 mills or 8.7% in 1983, as follows:

	General Levy	Metro "Equalized" Assessment	"Average Equivalent Mill Rate"
1983	$537,690,200	$8,535,245,830	63.00
1982	486,570,500	8,397,158,650	57.94
Increase 1983 over 1982	$51,119,700	$138,087,180	5.06
% Increase	10.5	1.6	8.7

The following diagram compares the annual increases in the "average equivalent Metro mill rate" with annual consumer price increases over the last five years.

Annual Change in Consumer Price Index and Mill Rate Increase 1979 - 1983



It will be observed that up to and including 1982, Metro Council was successful in its efforts to contain the annual mill rate increase within the rate of change in the level of consumer prices. This was a difficult trend to sustain into 1983 primarily because of the slowing of growth in the assessment base coupled with the upward pressure on the social assistance dollar occasioned by the fact that the Metro Toronto area experienced a severe and prolonged period of unemployment during the year.

Sale of water and attendant sewer surcharge

Included in the statistical section is general background information in regard to the sale of water to area municipalities and the attendant sewer surcharge.

The water rate charged all Area Municipalities was 13.88 cents per cubic metre in 1983 (13.22 cents in 1982) to which a 71½% surcharge (62% in 1982) was added for sewage purposes. Revenues deriving from the sale of water are not, however, reported as revenues of the Metropolitan Works Department but as Requisitions on Local Municipalities in accordance with Provincial reporting requirements. The net surplus on operation of the Waterworks System amounted to $3,681,000 in 1983 increasing the accumulated net revenue at the credit of the System to $13,844,000 as at December 31, 1983.

Metropolitan Council originally instituted the sewer surcharge in 1974 to generate funds for Water Pollution Control purposes and at the same time to ease the burden which would otherwise fall on the mill rate. The surcharge, starting at 10%, has been increased annually, generally at the rate of 7½%, so that it stood at 52.5% of the water rate in 1981. In 1982 and, again in 1983, the surcharge was increased by 9½% and accordingly amounted to 71½% of the water rate in 1983. The present intent is to continue to apply the same rate of increase and so meet Council's objective of eventually funding the cost of operation of the Water Pollution Control function entirely from the surcharge. It must be noted that since Water Pollution Control costs exceed those of Water Supply the surcharge will have to continue beyond 100% of the water rate.

ii) Provincial Grants

Provincial grant transfers to the Municipality comprise unconditional grants (principally per capita grants for general and policing purposes, together with general support and resource equalization grants) and conditional grants, primarily based on eligible municipal expenditures.

The total of grants and subsidies received in 1983 from the Province was $399,335,000 compared with $353,214,000 in 1982, an increase of $46,121,000 or 13.1%. The only change in Provincial grant policy was a decrease in the rate of assistance under the General Support Grant from 6.0% to 5.75% of the previous year's net general dollar levy, resulting in a reduction of $1,573,700 from the amount that would have been received under the old formula. The overall increase in the level of Provincial assistance in 1983 is essentially a reflection of increased spending in functional areas eligible for continuing Provincial subsidies.

iii) Other Revenue

This category includes all the operating revenues accruing to the Metropolitan Corporation and its consolidated local boards, commissions and agencies. They comprise fees and service charges from municipal enterprise activities, rents, concessions, franchises, licences, permits, fines, investment income, sales of land and equipment and other miscellaneous revenues.

The table below details total consolidated operating revenues over the past six years in both current and 1978 constant dollars and on a per capita basis. It will be noted that although inflation continues to erode the value of revenue dollars which the Municipality is receiving, there has been a significant increase in the per capita amount of constant dollars over the last few years, and, in particular, the 1983 financial year.

(in thousands of dollars except per capita figures)

	Revenues in current dollars	Revenues in constant dollars	Revenues in constant dollars per capita
1978	854,693	854,693	398
1979	946,192	865,683	405
1980	1,041,521	865,487	401
1981	1,190,141	879,100	405
1982	1,353,567	904,810	413
1983	1,520,761	960,844	449

Accumulated Net Revenue - General Municipal Purposes

The surplus recorded by the Metropolitan Corporation in 1983, in excess of $39 million, represented the 30th consecutive annual surplus and is attributable to a number of circumstances, the more significant being:

(i) of the $29.8 million raised for general contingency purposes, operating circumstances finally required only $7.6 million;

(ii) increased revenue of $5.3 million was realized in the operation of the Metropolitan Works Department as a result of additional refuse disposal volumes for commercial and industrial purposes and because natural gas and chemical costs were lower than anticipated; and

(iii) additional revenue of $4.1 million arose as a result of the Metropolitan Parks and Property Department realizing a higher rental revenue from its property management activities.

Reserves and Reserve Funds

The table below details the total consolidated reserves and reserve funds of the Municipality over the last six years:

(in thousands of dollars)

	Reserves and reserve funds	Total operating expenditures	Percentage
1978	9,680	854,028	1.1%
1979	12,813	924,223	1.4%
1980	31,174	1,044,932	3.0%
1981	47,918	1,173,755	4.1%
1982	91,363	1,375,444	6.6%
1983	59,504	1,516,614	3.9%

The sharp increase in the balances in reserve in 1982 is principally attributable to the creation during the year of a capital financing stabilizing reserve in the sum of $39,694,000; in 1983 an amount of $22,577,000 was utilized from the reserve to finance the net capital requirements of the year and so maintain the desired mix between internally generated revenues and external bond financing. (see "Long-Range Capital and Financial Planning" section).

Capital Operations

Capital expenditure in 1983 amounted to $292.8 million. Just under half (49%) was spent on expansions and improvements to the transit system, while other major capital expenditures related to sewage and refuse disposal (24%) and the construction and improvement of Metropolitan roads (10%).

175 new buses (100 additions and 75 replacements) were received by the Toronto Transit Commission in 1983 at a total cost of $25.2 million, bringing the Commission's bus fleet to 1,561 and its total vehicle fleet to 2,715. Capital spending on construction of the Scarborough Rapid Transit project amounted to $68.2 million during the year, with the project being scheduled to open in early 1985.

One of the more significant capital acquisitions during the year was the Keele Valley Landfill site at Maple, Ontario, at a cost of $40.1 million. This site, with a capacity close to 20 million tonnes, allows the Metropolitan Corporation the necessary capacity to secure itself for waste disposal well into the 21st century. Even more importantly the acquisition grants Metro Council time to consider carefully other refuse disposal alternatives such as incineration to produce steam for district heating or electricity and possibility of recycling at source.

Capital financing raised during 1983 amounted to $275,275,000 and was comprised principally of provincial capital grants in the sum of $115,171,000 (42%) and contributions from current operations of $71,530,000 (26%). In addition, long term debt incurred amounted to $38,160,000 (14%) while other miscellaneous sources of capital financing totalled $50,414,000 (18%).

Long-range Capital and Financial Planning

During the financial year 1982, Metro Council initiated a long-range capital and financial planning strategy for its general municipal purpose and municipal enterprise operations designed to ensure a balanced financing mix between internally generated revenues and bond financing for the Municipality's capital expenditures and other long-term capital improvements. The capital financing policy adopted is essentially designed to stabilize the contribution of the revenue fund towards capital expenditure at a level of 50% of the actual net capital financing requirements for the year. To the extent that the annual provision in the operating budget to finance capital expenditures out of current funds exceeds this limit, the excess is transferred to a capital financing stabilizing reserve; conversely if such annual provision amounts to less than the 50% guideline, the shortfall may be met by a draw upon the reserve.

Debt Structure

The table below portrays the gradual decline in the level of net long-term liabilities of the Municipality of Metropolitan Toronto over the last six years in respect of its general municipal activities and municipal enterprises. Net long-term liabilities in respect of general municipal purposes are also expressed on a per capita basis and as a percentage of taxable assessment.

(in thousands of dollars except per capita figures)

	Gen. Municipal Activities	per capita	% of taxable assess.	Municipal Enterprises
1978	493,320	229	6.47	157,236
1979	502,961	235	6.44	159,981
1980	478,786	222	5.96	145,635
1981	452,608	209	5.60	136,188
1982	419,148	191	4.99	123,293
1983	415,318	194	4.87	109,636

Debt Servicing

In 1976, the Council of the Municipality indicated that by 1983 the Metropolitan Corporation should meet a target for debt service charges in respect of general municipal purposes as a percentage of the annual general levy on Metropolitan taxpayers of no greater than 20 per cent per annum. Indeed, a range of between 15 per cent and 20 per cent was thought to be desirable. This was based on an anticipated declining rate of assessment growth and stabilization of population in Metropolitan Toronto. The table below records progress to date and indicates a level of 16.3% attained in 1983.

Debt Charges as a Percentage of General Levy and Gross Expenditure

(in thousands of dollars)

	Debt Charges	General Levy	Percentages
1979	85,266	361,798.9	23.6
1980	86,950	389,062.8	22.3
1981	87,178	430,828.1	20.2
1982	85,853	486,570.5	17.6
1983	87,744	537,690.2	16.3

	Debt Charges	Gross Expenditure	Percentages
1979	85,266	659,292	12.9
1980	86,950	758,245	11.5
1981	87,178	843,425	10.3
1982	85,853	1,004,221	8.6
1983	87,744	1,112,253	7.9

Debt Record

Included in the Statistical section is information in tabular and graphic form relating to the total debenture debt of the Metropolitan Area. In addition, a comprehensive portrayal of Metropolitan Corporation Debenture Debt is contained in the Municipality's Debenture Debt Report issued annually, copies of which are available at the address indicated at the commencement of this report.

The Metropolitan Corporation has always paid the full amount of the principal of and interest on every security issued by it, or for which it has become liable, all when due in the lawful currency of the country where payable at time of payment thereof.

Sinking Funds

The Municipality of Metropolitan Toronto Act provides that upon the issuance of "sinking fund debentures", a specific sum shall be levied annually which, together with interest capitalized yearly thereon at an interest rate not exceeding 8%, will be sufficient to repay the debentures in full at maturity.

As a result of the actuarial interest rates employed, surplus earnings related to debt service for all Metropolitan Corporation and Area Municipality purposes have consistently been achieved and have been applied, where applicable, to reduce levies for debt service during the term of the debentures. The reserve for abatement of such levies as at December 31, 1983 amounted to $72,951,000. In addition, an amount of over $140,000,000 of surplus funds, accumulated in excess of debts at maturity, has been applied to finance capital expenditures for which debentures would normally have been issued. The sinking fund accumulated surplus in excess of both the actuarial requirements and the reserve for abatement of future levies amounted to $57,502,000 at December 31, 1983.

Significant Activities

Transportation

Despite the recession and a fare increase averaging 8.4% during the year, 1983 was yet another record setting year for the Toronto Transit Commission in terms of passengers carried, enabling it to better its targeted revenue/cost ratio for the year. The 1983 ridership, at 405,746,000, was 4.5 million more than in 1982, and is indicative of the fact that transit continues to represent a popular alternative to the automobile in Metro Toronto.

Extensive transit planning is an ongoing governmental endeavour in responding to the constantly changing needs of the Metropolitan Toronto area and 1983 saw the completion of a number of major studies. These included a Vehicle Fleet Mix Study and the Inter-Regional Transit Co-ordination Study, both of which are anticipated to give the Commission a strong base to meet the challenges of the future.

During 1983, the Commission experienced a significant growth in the number of visits by transit planners, specialists and government officials from other countries interested in our transit system because of its excellent international reputation. Accordingly, the Commission decided to reactivate Toronto Transit Consultants (1981) Limited to provide assistance to other Canadian consulting firms which may wish to take a lead role in transit consulting worldwide.

Social and Family Services

The principal objective of the recent restructuring of the Department of Community Services was to ensure the effective design of social service policies and the enhancement of service delivery both for the immediate and longer term. During 1983 - the first full year impacted by the reorganization - the Department experienced new growth, new concepts in Community services delivery, the automation of many services, new ideas in management development and, consequently, some refinements of the re-organization program.

In its efforts to identify emerging Community needs and to respond, as appropriate, with innovative, effective programs, the Department, in 1983, specifically focused its resources on Services for Seniors, Youth Employment, Low Income Singles Housing and Day Care for Children.

Recreation and Culture

The Province of Ontario enacted legislation during 1983 providing for the establishment of a Board of Governors to control all of the activities carried out at Exhibition Place, on behalf of the Municipality of Metropolitan Toronto, the owner of the entire complex. These activities included the operation of Exhibition Stadium, previously under the control of the Exhibition Stadium Corporation. Under agreements between the Board of Governors and the Municipality, effective on July 8, 1983, the Exhibition Stadium Corporation ceased to exist and all of the assets of that Corporation were transferred to the Board. The Board also entered into an agreement with the Canadian National Exhibition Association under which the Association continued its management of the remainder of Exhibition Place operations for the balance of 1983.

While the governing bodies and related agreements changed in 1983, the operations of Exhibition Place continued throughout without disruption or major change. Accordingly, financial statements of the consolidated operations for the whole of 1983 have been prepared as if change in control had occurred at the beginning of the year since this is the most informative method of reporting.

Changes in Accounting and Reporting Policies

Effective for the 1983 fiscal year, Ontario municipalities and their local boards must follow the accounting principles outlined in the Municipal Financial Reporting Handbook. The Handbook, compiled by the Ministry of Municipal Affairs and Housing of the Province of Ontario, substantially revised many of the accounting and reporting requirements and accordingly the 1982 figures presented for comparative purposes have been restated to conform with the new presentation in 1983. The revisions have not resulted in any change in Fund Balances at the end of either year.

Concluding Comments

The strength and diversity of the economy of the Metropolitan Toronto area was a major factor in enabling the Metropolitan Corporation to weather the economic downturn in 1983. Although its rate of growth has not been significant, the Metro Toronto property tax base is nonetheless substantial, diversified and a continuing source of strength. As a result, the Municipality has easily absorbed the additional costs incurred as a result of the recession, while tax collections were largely unimpaired.

The overall financial condition of the Municipality of Metropolitan Toronto remains excellent, with the Metropolitan Corporation continuing to receive its "Triple A" rating in regard to its municipal debenture issues. I have every confidence that, as the Municipality enters its fourth decade, the endeavours of the members of Metropolitan Council will continue to be based on prudent and thoughtful financial management policies and practices to effectively benefit and serve all citizens within the Municipality.

Respectfully submitted,

JOHN L. PICKARD, B. Com., F.C.A.
Commissioner of Finance and Treasurer

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone: (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

July 16, 1984

AUDITOR'S REPORT

The Chairman and Members of the
Metropolitan Council of the
Municipality of Metropolitan Toronto

I have examined the consolidated balance sheet of the Municipality of Metropolitan Toronto as at December 31, 1983 and the consolidated statement of operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these consolidated financial statements present fairly the financial position of the Municipality as at December 31, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for Ontario municipalities applied, after giving retroactive effect to the changes in accounting policy as explained in Note 17 to the financial statements, on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR
Licence No. 752

The Municipality of Metropolitan Toronto

Six-Year Financial Review

Not subject to audit

(All dollar amounts are in thousands of dollars, except per capita figures)

	1983	1982	1981	1980	1979	1978
Population at the end of the year	2,140,347	2,189,180	2,168,712	2,155,724	2,137,867	2,150,151
Area in acres at the end of the year	154,584	154,584	154,584	154,584	154,584	154,584
Employees - continuous full time	24,633	23,537	23,190	22,359	21,900	21,843
- part time (not available)						
Assessment						
Taxable assessment upon which the year's rates of taxation were set						
Residential and farm	$ 4,489,762	$ 4,375,412	$ 4,266,197	$ 4,227,153	$ 4,127,631	$ 4,046,018
Commercial and industrial	4,045,484	4,021,747	3,820,133	3,800,787	3,678,687	3,578,369
Total	$ 8,535,246	$ 8,397,159	$ 8,086,330	$ 8,027,940	$ 7,806,318	$ 7,624,387
Per capita	$ 3,988	$ 3,836	$ 3,729	$ 3,724	$ 3,651	$ 3,546
Commercial and industrial, and business as a percentage of taxable assessment	47.40%	47.89%	47.24%	47.34%	47.12%	46.93%
Revenue for general municipal services						
Taxation - (Levy on area municipalities, supplementary taxes)	$ 610,693	$ 549,562	$ 499,092	$ 448,909	$ 414,326	$ 376,922
Ontario grants	399,335	353,214	295,238	262,282	232,274	221,044
Other grants	2,111	98	291	49	32	42
Fees and service charges	448,809	395,845	342,713	290,531	263,688	231,800
Other	59,813	54,848	52,807	39,750	35,872	24,885
Total	$ 1,520,761	$ 1,353,567	$ 1,190,141	$ 1,041,521	$ 946,192	$ 854,693
Expenditure - general municipal	$ 1,516,614	$ 1,375,444	$ 1,173,755	$ 1,044,932	$ 924,223	$ 854,028
Transfers to the school boards	$ 1,005,058	$ 907,773	$ 776,569	$ 689,866	$ 633,845	$ 587,941
Net long term liabilities						
General municipal activities	$ 415,318	$ 419,148	$ 452,608	$ 478,786	$ 502,961	$ 493,320
per capita	$ 194	$ 191	$ 209	$ 222	$ 235	$ 229
percentage of taxable assessment	4.87%	4.99%	5.60%	5.96%	6.44%	6.47%
Municipal enterprises	$ 109,636	$ 123,293	$ 136,188	$ 145,635	$ 159,981	$ 157,236
Charges for net long term liabilities						
General municipal activities	$ 87,744	$ 85,853	$ 87,178	$ 86,950	$ 85,266	$ 83,160
per capita	$ 41.00	$ 39.22	$ 40.20	$ 40.33	$ 39.88	$ 38.68
Capital financing during the year						
Contributions from own funds	$ 97,819	$ 56,449	$ 65,174	$ 57,327	$ 40,552	$ 35,036
Long term liabilities incurred	38,160	10,145	17,501	15,413	65,335	35,639
Ontario grants	115,171	86,771	64,251	45,230	49,082	65,751
Other	24,125	16,848	14,867	22,570	28,403	24,181
Total	$ 275,275	$ 170,213	$ 161,793	$ 140,540	$ 183,372	$ 160,607
Capital expenditure during the year	$ 292,825	$ 175,133	$ 140,328	$ 125,982	$ 151,337	$ 178,696
Accumulated net revenue (deficit) at the end of the year	$ 41,696	$ 37,549	$ 59,426	$ 43,040	$ 46,451	$ 24,482
Reserves and reserve funds	$ 59,504	$ 91,363	$ 47,918	$ 31,174	$ 12,813	$ 9,680

The Municipality of Metropolitan Toronto

Consolidated Balance Sheet

As at December 31, 1983

(in thousands of dollars)

Assets	1983	1982
Unrestricted		
Cash	$ 9,129	$ 4,629
Investments (note 5)	113,803	166,579
User charges receivable	36,417	27,790
Accounts receivable (note 15)	161,922	144,133
Other current assets	30,324	27,334
Long term receivables	1,537	1,996
	353,132	372,461
Restricted		
Cash	614	181
Investments (note 5)	13,428	11,236
Accounts receivable	309	53
Other current assets	116	110
	14,467	11,580
Capital outlay financed by long term liabilities and to be recovered in future years (notes 3, 6)	700,827	737,245
	$ 1,068,426	$ 1,121,286
Liabilities		
Temporary loans	$ 4,019	2,819
Accounts payable and accrued liabilities (notes 9,10,11)	197,180	185,317
Other current liabilities (note 15)	30,242	25,765
	231,441	213,901
Long term payables (note 7)	11,138	
Deferred Ontario Income Tax	672	530
Net long term liabilities (note 6)	700,827	737,245
Fund Balances at the End of the Year (notes 12,13,14)		
To be used to offset taxation or user charges	53,087	43,447
Transit operations	(11,391)	(5,898)
Unexpended capital financing	23,148	40,698
Reserves	45,373	80,017
Reserve funds	14,131	11,346
	$ 1,068,426	$ 1,121,286

(see accompanying notes)

The Municipality of Metropolitan Toronto

Consolidated Statement of Operations

For the Year Ended December 31, 1983

(in thousands of dollars)

	1983	1982
Sources of Financing:		
Taxation and user charges		
Requisition on local municipalities	$1,615,751	$1,457,335
Less: School board requisition	(1,005,058)	(907,773)
User charges	448,899	395,710
	1,059,592	945,272
Grants		
Government of Canada	2,572	765
Province of Ontario	514,506	439,985
	517,078	440,750
Other		
Investment income	14,967	28,069
Sale of land	5,599	5,040
Fines	22,728	21,185
Other	28,342	19,819
	71,636	74,113
Proceeds from the issue of long term liabilities	37,552	10,007
Net appropriations from reserves and reserve funds	31,859	
Municipal Fund Balances at the Beginning of the Year (notes 12, 13)		
To be used to offset taxation or user charges	43,447	59,137
Transit operations	(5,898)	289
Unexpended capital financing	40,698	70,918
Total financing available during the year	$1,795,964	$1,600,486

	1983	1982
Applied To:		
Current operations		
General government	$ 45,304	$ 38,197
Protection to persons and property	304,690	302,671
Transportation services	483,329	447,907
Environmental services	160,385	149,648
Health services	31,278	28,085
Social and family services	310,736	250,379
Recreation and cultural services	91,979	81,931
Planning and development	5,097	5,448
	1,432,798	1,304,266
Capital		
General government	408	623
Protection to persons and property	21,320	5,140
Transportation services	173,917	118,724
Environmental services	75,679	33,125
Health services	2,822	2,649
Social and family services	6,845	5,059
Recreation and cultural services	10,353	9,183
Planning and development	6,978	25
	298,322	174,528
Net appropriations to reserves and reserve funds		43,445
Municipal Fund Balances at the End of the Year (notes 12, 13)		
To be used to offset taxation or user charges	53,087	43,447
Transit operations	(11,391)	(5,898)
Unexpended capital financing	23,148	40,698
Total applications during the year	$1,795,964	$1,600,486

(see accompanying notes)

The Municipality of Metropolitan Toronto

Notes to Consolidated Financial Statements

For the Year Ended December 31, 1983

1. Significant Accounting Policies

The financial statements have been prepared in accordance with accounting principles for municipalities in Ontario as required by the Ontario Ministry of Municipal Affairs and Housing and reflect the following policies as set forth in the Municipal Financial Reporting Handbook:

(a) Basis of Consolidation

(i) Consolidated Statement of Operations

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds and the capital fund of the Municipality and the following local boards and municipal enterprises:

Metropolitan Board of Commissioners of Police
Metropolitan Licensing Commission
Metropolitan Toronto Waterworks System
Metropolitan Toronto Library Board
Toronto Transit Commission
Gray Coach Lines, Limited
Board of Governors of Exhibition Place
Board of Management of the O'Keefe Centre
Board of Management of the Metropolitan Toronto Zoo

Also included therein is the Metropolitan Education Levy requisitioned upon the Metropolitan area municipalities on behalf of the Metropolitan Toronto School Board.

(ii) Consolidated Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, reserve funds and capital fund of the Municipality, together with the assets and liabilities of the local boards and municipal enterprises detailed in Note 1(a)(i).

(iii) Non-Consolidated Entities

For those local boards and municipal enterprises of the Municipality which are not consolidated, the Consolidated Balance Sheet does not reflect their assets or liabilities except to the extent of the net long term liabilities issued by the Municipality on their behalf and the amounts due to or from those entities. The Consolidated Statement of Operations does not reflect their revenues and expenditures except to the extent of the Municipality's contribution to those entities.

Those entities which are not consolidated are as follows:

Metropolitan Toronto Housing Company Limited
Metropolitan Toronto School Board

(iv) Trust Funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and the Trust Funds Balance Sheet.

(b) Basis of Accounting

(i) Charges for Long Term Liabilities

Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they fall due. Interest and principal charges are not accrued for the periods from the latest due dates to the end of the financial year. It is the intention of Metropolitan Council to convert to a system of full accrual of debenture interest charges on January 1, 1985, and, to permit the phasing of the fiscal impact over intervening years, allocations are being made to a reserve established for this purpose.

(ii) Revenue and Expenditure Recognition

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Capital Outlay Financed by Long Term Liabilities and to be Recovered in Future Years

The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Instead the "Capital outlay financed by long term liabilities and to be recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures, the value of long term obligations arising out of capital leases entered into by the Municipality, and capital funds transferred to local boards and municipal enterprises of the Municipality, is reported on the Consolidated Balance Sheet.

(iv) Liabilities Payable in Foreign Currencies

Long term debt payable in U.S. Funds has been converted into Canadian Funds at the exchange rates prevailing at the time the debt was incurred.

(v) Inventories

Inventories of supplies amounting to $19,829,000 (1982 - $17,263,000) and included in "Other Current Assets - Unrestricted" on the Consolidated Balance Sheet are valued at cost of acquisition.

2. Contributions to Unconsolidated Joint Boards

The assets and liabilities of The Metropolitan Toronto and Region Conservation Authority - an unconsolidated joint board of the Metropolitan Corporation - have not been consolidated and are not reported on the Consolidated Balance Sheet, except to the extent of the long term liabilities to be recovered from general taxation.

The operations of The Metropolitan Toronto and Region Conservation Authority have also not been consolidated. The Consolidated Statement of Operations includes only the following contributions made by the Municipality to the Authority:

(in thousands)

	1983	1982
for current purposes	$3,236	$3,663
for capital purposes	1,520	1,315

3. Capital Outlay Financed by Long Term Liabilities and to be Recovered in Future Years

(a) Some capital outlay to be recovered in future years does not represent a burden on general municipal revenues as it is to be recovered either from revenue of the School Board or from the individual municipal enterprises as follows:

(in thousands)

	1983	1982
Metropolitan Toronto School Board	$175,873	$193,831
Metropolitan Toronto Waterworks System	85,928	96,323
Toronto Transit Commission	23,708	26,970

(b) Capital outlays, fixed asset purchases and transfers of capital funds totalling $71,530,000 (1982 - $53,758,000) which have been financed from current revenues are reported on the Analysis of Current Operations.

4. Trust Funds

Trust funds administered by the Municipality amounting to $16,604,000 (1982 - $16,157,000) have not been included in the Consolidated Balance Sheet nor have their operations been included in the Consolidated Statement of Operations.

5. Investments

The unrestricted investments of $113,803,000 (1982 - $166,579,000) and restricted investments of $13,428,000 (1982 - $11,236,000) are recorded on the Consolidated Balance Sheet at cost. The market value of these investments at the end of the year approximates book value.

6. Net Long Term Liabilities

(a) Debenture Debt

Under the provisions of the Municipality of Metropolitan Toronto Act, the Metropolitan Corporation has the sole responsibility for borrowing money for its own account, the accounts of its local boards and municipal enterprises, and for the accounts of its area municipalities and their local boards and enterprises. It also assumed, under the provisions of the Act, certain debt incurred directly by its area municipalities prior to this statutory responsiblity. Where money is borrowed or debt assumed on behalf of other bodies, repayment of the related debt servicing requirements is made by these bodies to the Municipality.

(b) Other Long Term Obligations

Included in this category are:

- the long term obligations arising out of lease purchase agreements entered into by the Municipality in respect of the Animal Domain Ride vehicles at the Metropolitan Toronto Zoo amounting to $3,417,000 (1982 - $3,706,000) and also in respect of the purchase of computer equipment by the Metropolitan Police Commission in the sum of $804,000 (1982 - $974,000).
- a long term interest free loan payable to the Province of Ontario in connection with the capital cost of the expansion of Exhibition Stadium amounting to $8,104,000 (1982 - $8,177,000).

(c) Reconciliation of Gross Long Term Liabilities with Net Long Term Liabilities as reported on the Consolidated Balance Sheet

(in thousands)

In respect of debenture debt			
Total principal amount outstanding and incurred by the Municipality			
for own account		$696,528	
for local boards and municipal enterprises		224,095	
for Metropolitan Toronto School Board		229,103	
for area municipalities		427,525	$1,577,251
Total principal amount outstanding incurred by area municipalities and assumed by the Municipality			
for own account		693	
for Metropolitan Toronto School Board		105	798
			1,578,049
Less: Principal amount outstanding payment of which is to be recovered from others			
from area municipalities		427,525	
from Province of Ontario (in respect of assets assumed)		13,444	440,969
			1,137,080
Less: Value of funds accumulated to retire outstanding long term liabilities			
Sinking Fund			
for own account	280,481		
for local boards and municipal enterprises	114,459		
for Metropolitan Toronto School Board	53,335	448,275	
Ministry of the Environment Debt Retirement Fund		303	448,578
Net Long Term Liabilities - Debenture Debt			688,502
In respect of other long term obligations			
Net Long Term Liabilities			
Capital Leases		4,221	
Long Term Loans		8,104	12,325
Total Net Long Term Liabilities			$700,827

Analyzed as follows:	
To be recovered from the revenues of the Metropolitan Toronto School Board	$175,873
To be recovered from the general municipal revenues of the municipality and its local boards and municipal enterprises as detailed in Note 1(a)(i)	524,954
Total	$700,827

(d) Net Long Term Liabilities - Future Redemption

Of the net long term liabilities reported in (c) of this note, $259,651,000 in principal payments are payable from 1984 to 1988, $199,179,000 from 1989 to 1993 and $108,424,000 thereafter, and are summarized as follows:

(in thousands of dollars)

	1984 to 1988	1989 to 1993	1994 and thereafter
from General Municipal Revenues	$127,256	$114,042	$66,841
from the Metropolitan Toronto Waterworks System	23,571	22,029	14,240
from the Toronto Transit Commission	9,058	10,749	3,595
from the Metropolitan Toronto School Board	99,766	52,359	23,748
Total	$259,651	$199,179	$108,424

(e) Translation of Net Long Term Liabilities payable in U.S. Funds

Included in the total of $700,827,000 is an amount of $205,242,000 payable in U.S. funds and converted at rates of exchange prevailing at the time the liability was incurred. If translated at the exchange rate prevailing at December 31, 1983, the Canadian dollar equivalent of this amount of debt would be increased by $37,072,000 (1982 - $37,359,000).

(f) Ontario Municipal Board

Approval of the Ontario Municipal Board has been obtained for the long term liabilities reported on the Consolidated Balance Sheet.

7. Long Term Payables

During 1983, the sum of $10,000,000, representing a long term holdback in regard to the Metropolitan Corporation's acquisition of the Keele Valley Landfill Site, together with accrued interest of $1,138,000, was charged to expenditures in the Consolidated Statement of Operations; the corresponding credit balance has been reported under the category "Long term payables" in the Consolidated Balance Sheet.

8. Charges for Long Term Liabilities

Payments and recoveries in respect of the total debt incurred by the Municipality for its own account and on account of its local boards and municipal enterprises, including the Metropolitan Toronto School Board, are set out below. Also included are payments in respect of capital leases entered into, and long term loans incurred by, the Municipality.

(in thousands)

	1983	1982
Principal payments including contributions to sinking funds and to the Ministry of the Environment Debt Retirement Fund	$54,340	$50,689
Interest	97,380	100,555
	151,720	151,244
Recoveries from the Metropolitan Toronto School Board - Principal	17,958	16,810
- Interest	18,436	20,955
	36,394	37,765
Charges for long term liabilities recovered from general municipal revenues of the Municipality and its local boards and municipal enterprises as detailed in Note 1(a)(i)	$115,326	$113,479

The amount of $115,326,000 is charged to expenditures on the Consolidated Statement of Operations under the appropriate functional classifications and consists of principal payments of $36,382,000 and interest payments of $78,944,000. Payments of interest and principal on debt issued in U.S. currency included in these amounts are reflected at the actual Canadian dollar costs incurred. Principal payments include the sum of $2,005,000 (1982 - $1,609,000) which reflects the excess of costs of conversion to U.S. funds over the corresponding principal amounts recorded at the time the debt was issued.

9. Contractual Obligations

(a) Property Settlements Outstanding

Due to the lengthy processes involved in the agreement of the valuation of properties expropriated for capital improvements, there were a number of settlements outstanding at the end of the year. In view of the complexities of arriving at valuations of such propeties, no liability has been brought to account or determined for such outstanding property settlements as at December 31, 1983.

(b) Long Term Liabilities Incurred on Behalf of Area Municipalities

The Municipality is contingently liable for long term liabilities incurred on behalf of its area municipalities. The total amount outstanding as at December 31, 1983 was $427,525,000 (1982 - $415,950,000) and is not recorded on the Consolidated Balance Sheet. During the year, long term liabilities of $43,926,000 (1982 - $30,216,000) were incurred on behalf of the Metropolitan area municipalities and are not reflected on the Consolidated Statement of Operations.

10. Past Service Pension Costs

In addition to regular payments in respect of current service, the Municipality is obligated to pay the following amounts in respect of past service into various pension and benefit plans as follows:

(in thousands)

	1984 -1987	1988 -1991	1992 -1994	Total
To be recovered from:				
General municipal revenues	$52,094	$51,588	$26,040	$129,722
Municipal enterprises	1,527	1,527	382	3,436
Total	$53,621	$53,115	$26,422	$133,158

No provision has been made in the accounts for these obligations, and the expense is recorded as annually incurred. In this regard, expenditure of $13,443,000 was incurred in 1983 and is reported on the Consolidated Statement of Operations.

11. Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the employment of the Municipality or some of its local boards and municipal enterprises.

Metropolitan Council on April 23, 1982, approved the establishment of a Corporate Sick Pay Reserve Fund to cover payouts to employees of the Metropolitan Corporation, the Metropolitan Waterworks System and the Metropolitan Toronto Housing Company Limited, such that contributions to the fund are sufficient to offset expected payouts over a given period of time. Projections are required to be made over a forecast period of ten years, such projection process being repeated every two years. It is anticipated that this process will stabilize the financial impact on the Corporation in respect of future payment of vested sick leave benefits.

Based on the latest projections, contributions to the Corporate Sick Pay Reserve Fund in respect of employees of the Metropolitan Corporation, the Waterworks System and the Housing Company are anticipated to amount to $13,337,000 for the years 1984-1986, $18,836,000 for the years 1987-1989 and $25,568,000 for the years 1990-1992 and allow the funds in reserve to remain generally between 15 and 20 per cent of the contingent liability represented by vested sick leave benefits. As at December 31, 1983, the balance of the Corporate Sick Pay Reserve Fund stood at $12,428,000 while the contingent liability in regard to vested sick leave benefits of the above- mentioned employees amounted to $60,166,000.

Contributions to the Corporate Sick Pay Reserve Fund in 1983 in regard to employees of the Metropolitan Corporation, the Metropolitan Waterworks System and the Metropolitan Toronto Housing Company Limited amounted to $3,901,000; the contributions relative to employees of the Metropolitan Corporation and the Waterworks System amount to $3,897,000 and are reported on the Analysis of Current Operations.

The contingent liability in respect of unused sick leave for employees of other consolidated enterprises which maintain vested sick leave benefit plans is unfunded and was $1,372,000 as at December 31, 1983. Payment of sick pay grants to such employees are charged to current revenues when paid.

12. Effect of Adoption of Municipal Accounting Conventions

The Toronto Transit Commission and Gray Coach Lines, Limited adopt a commercial basis of accounting in the reporting of their operational and financial results; the financial statements of these entities have been converted to reflect a municipal basis of accounting prior to their incorporation in the consolidated financial report. This has the effect of decreasing the equity at the end of the year of these two entities as follows:

(in thousands)

	1983 Actual	1982 Actual
Equity - Commercial basis	$57,884	$56,709
Equity (Deficit) - Municipal basis	(11,391)	(5,898)
Total	$69,275	$62,607

13. Municipal Equity at the End of the Year

(a) The balance on the Consolidated Statement of Operations of municipal equity of $64,844,000 (1982 - $78,247,000) at the end of the year is comprised of the following:

(in thousands)

	1983	1982
for general reduction of taxation	$39,243	$33,282
for general reduction of user charges	13,844	10,165
	53,087	43,447
transit operations - deficit arising out of adoption of municipal accounting conventions	(11,391)	(5,898)
acquisition of fixed assets to be recovered through taxation	(17,840)	(9,453)
acquisition of fixed assets to be financed from the proceeds of long term liabilities	(17,840)	(9,453)
funds available for the acquisition of fixed assets	58,828	59,604
	23,148	40,698
	$64,844	$78,247

(b) Approval of the Ontario Municipal Board has been obtained for the pending issues of long term liabilities and for those commitments to be financed from revenues beyond the term of Council. In regard to the latter, the obligations relate essentially to long term operating leases for office space and equipment for the period 1984 to 1994 and amount to $18,809,000.

14. Reserves and Reserve Funds

The total balance of reserves and reserve funds of $59,504,000 (1982 - $91,363,000) is made up of the following:

(in thousands)

	1983	1982
Set aside for specific purposes by Council		
Reserves		
for exchange stabilization	$2,744	$2,744
for replacement of equipment	2,465	2,722
for sick pay benefits	1,158	404
for debenture interest accrual	9,500	4,750
for capital financing stabilization	10,699	40,308
for capital facilities	-	5,000
for parks and recreation programs and facilities	1,089	1,089
for transit current purposes	4,500	3,500
for transit capital purposes	5,500	5,000
for construction of convention centre	6,543	13,500
for emergency response facilities	1,175	1,000
	45,373	80,017
Reserve Funds		
for sick pay benefits	12,427	10,079
for insurance	749	720
for waterworks purposes	64	58
for parks and recreation programs and facilities	776	378
	14,016	11,235
Sub-total	59,389	91,252
Set aside for specific purposes by legislation, regulation or agreement		
Reserve Funds for Lakeview Sewage Treatment Plant - Ministry of the Environment Reserve Fund for contingencies	115	111
Total	$59,504	$91,363

15. Sinking Funds Surplus Monies

The actual Sinking Funds reflected in the value of net long term liabilities at the end of the year do not include specific accumulations at that date in excess of the total related debt. Because those accumulations are subject to a decision of The Metropolitan Council as to their use for either capital or revenue purposes, it has been the Corporation's policy not to reflect such accumulations in the financial statements. Commencing with the 1983 reporting year, these specific surplus sinking funds accumulations amounting to $16,974,000 (1982 - $12,637,000) have been recorded as receivable. Corresponding amounts have been set up as deferred revenue and are included in the Consolidated Balance Sheet under "Other Current Liabilities". The 1982 figures have been restated to conform with the current year's presentation.

16. Ontario Inflation Restraint Program

Pursuant to the terms of The Inflation Restraint Act enacted by the Ontario Legislature on December 15, 1982, the Municipality of Metropolitan Toronto, its local boards and municipal enterprises were subject to the Ontario Inflation Restraint Program. Accordingly, salaries and wages paid by the Municipality of Metropolitan Toronto, its boards and enterprises were subject to restraint under the Provincial program.

17. Changes in Accounting and Reporting Policies

Ontario Municipalities and their local boards must follow the accounting principles outlined in the Municipal Financial Reporting Handbook. Effective for the 1983 fiscal year, many of the accounting and reporting requirements were substantially revised. The 1982 figures presented for comparative purposes have been restated to conform with the new presentation in 1983. The revisions have not resulted in any change in Fund Balances at the end of either year. The following summary outlines the more significant changes made:

(a) Presentation of a Consolidated Statement of Operations which combines the operations of the revenue fund, capital fund, reserves and reserve funds. Prior to 1983, these were presented individually.

(b) Restricted assets, comprising assets of reserve funds, are now reported as such.

(c) Previously, the capital expenditures yet to be permanently financed were combined with the total of unmatured long term liabilities and reported in the Consolidated Balance Sheet as "Capital outlay to be recovered in future years". Presently, the capital expenditures yet to be permanently financed are offset against the capital funds available for the acquisition of fixed assets and are reported on the Consolidated Balance Sheet as "Unexpended capital financing" under the heading "Fund Balances". The total of unmatured long term liabilities is now represented by "Capital outlay financed by long term liabilities and to be recovered in future years".

The Municipality of Metropolitan Toronto

Analysis of Current Operations

For the Year Ended December 31, 1983

(in thousands of dollars)

	1983 Actual	1983 Budget	1983 Budget Comparison	1982 Actual
Surplus at the Beginning of the Year	$ 37,549	$ 37,748	$ (199)	$ 59,426
Revenue				
Taxation and User Charges				
Requisition on local municipalities	1,615,751	1,599,200	16,551	1,457,335
Less: School board requisition	(1,005,058)	(996,407)	(8,651)	(907,773)
User charges	448,809	440,449	8,360	395,845
Grants				
Government of Canada	2,111	2,069	42	98
Province of Ontario	399,335	404,086	(4,751)	353,214
Other				
Investment income	13,649	14,261	(612)	25,167
Fines	22,728	25,810	(3,082)	21,185
Other	23,436	23,314	122	8,496
	1,520,761	1,512,782	7,979	1,353,567
Expenditures				
General Government	49,646	49,358	(288)	62,101
Protection to persons and property	315,461	314,109	(1,352)	291,740
Transportation services	515,725	522,506	6,781	475,322
Environmental services	184,710	193,238	8,528	166,631
Health services	34,368	36,603	2,235	30,155
Social and family services	312,926	328,376	15,450	252,784
Recreation and cultural services	98,650	94,066	(4,584)	88,224
Planning and development	5,128	7,144	2,016	8,487
Other		8,860	8,860	
	1,516,614	1,554,260	37,646	1,375,444
Surplus at the End of the Year	$ 41,696	$ (3,730)	$ 45,426	$ 37,549

The Municipality of Metropolitan Toronto

Analysis of Capital Operations

For the Year Ended December 31, 1983

(in thousands of dollars)

	1983	1982
Source of Funds		
Long term liabilities incurred	$ 38,160	$ 10,145
Ontario grants	115,171	86,771
Other	24,125	16,848
Appropriations from other funds current operations	71,530	53,758
reserves	25,795	2,122
reserve funds	494	569
	$ 275,275	$ 170,213
Expenditures		
General government	432	658
Protection to persons and property	21,457	5,140
Transportation services	174,675	118,917
Environmental services	76,208	33,244
Health services	2,822	2,649
Social and family services	6,845	5,317
Recreation and cultural services	10,366	9,183
Planning and development	20	25
	292,825	175,133
Unexpended capital financing at the beginning of the year	40,698	70,918
Appropriation of prior years' financing re general municipal purposes to capital financing stabilizing reserve		25,300
Unexpended capital financing at the end of the year	$ 23,148	$ 40,698

The Municipality of Metropolitan Toronto

Analysis of Reserves and Reserve Funds

For the Year Ended December 31, 1983

(in thousands of dollars)

Reserves

	Exchange Stabilization	Replacement of Equipment	Convention Centre	Emergency Response Facility
Balance at the beginning of the year	$ 2,744	$ 2,722	$ 13,500	$ 1,000
Appropriations from (to) current operations		3,946		175
Interest earned				
Other contributions		155		
Appropriations to reserve funds		(4)		
Appropriations from (to) capital operations		(3,217)		
Other charges		(1,137)	(6,957)	
Balance at the end of the year	$ 2,744	$ 2,465	$ 6,543	$ 1,175

Reserve Funds

	M.O.E. Contingencies Reserve Fund
Balance at the beginning of the year	$ 111
Revenue	
Contributions from current operations	
Contributions from capital operations	
Contributions from reserves	
Contributions from others	
Interest earned	4
	4
Expenditure	
Contributions to current operations	
Contributions to capital operations	
Other charges	
Balance at the end of the year	$ 115

Police Central Sick Pay	Acquisition of Parklands	Debenture Interest Accrual	Metro Capital Facilities	Capital Financing Stabilization	C.N.E.A. Vested Reserves	Transit Current Purposes	Gray Coach Terminals Replacement	Total 1983	Total 1982
$ 404	$ 1,000	$ 4,750	$ 5,000	$40,308	$ 89	$ 3,500	$ 5,000	$80,017	$31,452
877		4,750	(5,000)	(7,032)		5,216	500	3,432	38,277
									1,500
								155	2
								(4)	(8,220)
				(22,577)				(25,794)	23,179
(123)						(4,216)		(12,433)	(6,173)
$ 1,158	$ 1,000	$ 9,500	$ -	$10,699	$ 89	$ 4,500	$ 5,500	$45,373	$80,017

O'Keefe Centre Capital Improvements	Stadium Capital Improvements	Insurance Reserve Fund	Corporate Sick Pay	Regent Park Community Centre	C.N.E.A. Vested Reserve Fund	Waterworks Capital Purposes	Total 1983	Total 1982
$ 180	$ 48	$ 720	$ 10,079	$	$ 150	$ 58	$11,346	$16,466
249	584	469	3,849	43			5,194	11,024
		7					7	7
			4				4	8,220
		61	47				108	247
24	9	92	1,200	1		6	1,336	1,716
273	593	629	5,100	44		6	6,649	21,214
		121					121	56
320	174						494	570
	18	479	2,752				3,249	25,708
320	192	600	2,752				3,864	26,334
$ 133	$ 449	$ 749	$ 12,427	$ 44	$ 150	$ 64	$14,131	$11,346

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

July 16, 1984

AUDITOR'S REPORT

**The Chairman and Members of the
Metropolitan Council of the
Municipality of Metropolitan Toronto**

I have examined the balance sheet of the trust funds of the Municipality of Metropolitan Toronto as at December 31, 1983 and the trust funds statement of continuity for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the trust funds of the Municipality as at December 31, 1983 and the continuity of trust funds for the year then ended in accordance with generally accepted accounting principles for Ontario municipalities applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR
Licence No. 752

The Municipality of Metropolitan Toronto

Trust Funds Statement of Continuity

For the Year Ended December 31, 1983

(in thousands of dollars)

Page One of Three

	Homes For The Aged Residents' Trust Fund	Metropolitan Toronto Public Utilities Co-ordinating Committee	Edward Gardens "Wishing Fountain" Trust Fund	Transient Traders' License Fees	Keele Valley Small Claims Deposit	Community Services Department Donations
Balance, Beginning of Year *(see note below)*	$13,183	$103	$ 1	$ 3	$	$ 51
Capital Receipts						
Cash or collateral received	3,430			1	100	61
Membership fees		24				
Increase in value of investments	21					
Interest earned	1,251	10				
Sundry revenues		2				
	4,702	36		1	100	61
Expenditures						
Payments made to Metropolitan Treasury	1,482					
Payments made to Provincial Courts						
Payments made to or on behalf of area municipalities						
Payments made to or on behalf of residents	2,715					
Payments made to sundry persons						65
Materials, supplies and services		23				
	4,197	23				65
Balance, End of Year	$13,688	$116	$ 1	$ 4	$100	$ 47

Trust Fund Balance Sheet
As at December 31, 1983

Assets						
Cash	$ 1,549	$	$	$	$	$
Investments at cost, which approximates market value						
Canada	556					
Provincial						
Other	11,521	116				
	12,077	116				
Other						
Accounts receivable						
Interest receivable on investments	59					
Due from Metropolitan Toronto	3		1	4	100	47
	62		1	4	100	47
Total Assets	$13,688	$116	$ 1	$ 4	$100	$ 47
Liabilities						
Accounts payable						
Due to Metropolitan Toronto						
Balance - Capital	$13,688	$116	$ 1	$ 4	$100	$ 47
Total Liabilities	$13,688	$116	$ 1	$ 4	$100	$ 47

Effective January 1, 1983, mortgages held by residents of the Corporation's Homes for the Aged have been brought to account as assets of the Trust Funds and this has the effect of increasing the 1983 opening balance by $164,000.

(in thousands of dollars)

	Scarborough Beare Road Ski Facilities	Police Commission Trust Funds	Thackeray Landfill Restoration Fund	Metropolitan Municipalities Liability Trust Account	Security Deposits and Bonds
Balance, Beginning of Year	$ 1,769	$ 178	$114	$ 390	$ 66
Capital Receipts					
Cash or collateral received		3,507		1,220	89
Membership fees					
Increase in value of investments					
Interest earned	208		4	98	1
Sundry revenues				30	
	208	3,507	4	1,348	90
Expenditures					
Payments made to Metropolitan Treasury		256		128	
Payments made to Provincial Courts		2,966			
Payments made to or on behalf of area municipalities				763	
Payments made to or on behalf of residents					
Payments made to sundry persons		271	56	798	122
Materials, supplies and services					
		3,493	56	1,689	122
Balance, End of Year	$ 1,977	$ 192	$ 62	$ 49	$ 34

Trust Fund Balance Sheet As at December 31, 1983

Assets					
Cash	$ 1	$ 192	$ 2	$ 6	$
Investments at cost, which approximates market value					
Canada	57				1
Provincial				296	
Other	1,834		59		2
	1,891		59	296	3
Other					
Accounts receivable				38	
Interest receivable on investments	85		1	3	
Due from Metropolitan Toronto				5	31
	85		1	46	31
Total Assets	$ 1,977	$ 192	$ 62	$ 348	$ 34
Liabilities					
Accounts payable				$ 295	
Due to Metropolitan Toronto				4	
Balance - Capital	$ 1,977	$ 192	$ 62	$ 49	$ 34
Total Liabilities	$ 1,977	$ 192	$ 62	$ 348	$ 34

(in thousands of dollars)

Page Three of Three

	General Damages In Trust	Bequest from the Estate of V.E. Francis	Bequest from the Estate of H. Jackman	Total 1983	Total 1982
Balance, Beginning of Year	$225	$ 24	$ 50	$16,157	$14,945
Capital Receipts					
Cash or collateral received	35			8,443	8,523
Membership fees				24	25
Increase in value of investments				21	(185)
Interest earned	18	3	13	1,606	2,415
Sundry revenues				32	36
	53	3	13	10,126	10,814
Expenditures					
Payments made to Metropolitan Treasurer				1,866	2,545
Payments made to Provincial Courts				2,966	2,796
Payments made to or on behalf of area municipalities				763	583
Payments made to or on behalf of residents				2,715	2,524
Payments made to sundry persons	34			1,346	1,242
Materials, supplies and services				23	76
	34			9,679	9,766
Balance, End of Year	$244	$ 27	$ 63	$16,604	$15,993

Trust Fund Balance Sheet
As at December 31, 1983

	General Damages In Trust	Bequest from the Estate of V.E. Francis	Bequest from the Estate of H. Jackman	Total 1983	Total 1982
Assets					
Cash	$	$	$	$ 1,750	$ 278
Investments at cost, which approximates market value					
Canada				614	728
Provincial				296	
Other				13,532	13,880
				14,442	14,608
Other					
Accounts receivable				38	35
Interest receivable on investments				148	980
Due from Metropolitan Toronto	244	27	63	525	395
	244	27	63	711	1,410
Total Assets	$244	$ 27	$ 63	$16,903	$16,296
Liabilities					
Accounts payable				$ 295	
Due to Metropolitan Toronto				4	$ 303
Balance - Capital	$244	$ 27	$ 63	16,604	15,993
Total Liabilities	$244	$ 27	$ 63	$16,903	$16,296

The Municipality of
Metropolitan Toronto

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12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
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Allan G. Andrews, C.A., *Metropolitan Auditor*

July 16, 1984

AUDITOR'S REPORT

**The Chairman and Members of the
Metropolitan Council of the
Municipality of Metropolitan Toronto**

I have examined the balance sheet of the Municipality of Metropolitan Toronto as at December 31, 1983 and the statement of operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Municipality as at December 31, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for Ontario municipalities applied, after giving retroactive effect to the changes in accounting policy as explained in Note 15 to the financial statements on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

The Municipality of Metropolitan Toronto

Six-Year Financial Review

Not subject to audit

(All dollar amounts are in thousands of dollars, except per capita figures)

	1983	1982	1981	1980	1979	1978
Population at the end of the year	2,140,347	2,189,180	2,168,712	2,155,724	2,137,867	2,150,151
Area in acres at the end of the year	154,584	154,584	154,584	154,584	154,584	154,584
Employees - continuous full time	14,612	13,360	13,028	12,524	12,312	12,390
- part time	1,195	1,630	1,294	1,082	741	1,062
Assessment						
Taxable assessment upon which the year's rates of taxation were set						
Residential and farm	$ 4,489,762	$ 4,375,412	$ 4,266,197	$ 4,227,153	$ 4,127,631	$ 4,046,018
Commercial and industrial	4,045,484	4,021,747	3,820,133	3,800,787	3,678,687	3,578,369
Total	$ 8,535,246	$ 8,397,159	$ 8,086,330	$ 8,027,940	$ 7,806,318	$ 7,624,387
Per capita	$ 3,988	$ 3,836	$ 3,729	$ 3,724	$ 3,651	$ 3,546
Commercial and industrial, and business as a percentage of taxable assessment	47.40%	47.89%	47.24%	47.34%	47.12%	46.93%
Revenue for general municipal services						
Taxation - (Levy on area municipalities, supplementary taxes)	$ 547,650	$ 493,162	$ 444,541	$ 399,782	$ 368,186	$ 333,942
Ontario grants	397,939	351,688	293,464	260,559	$ 230,731	$ 219,192
Other grants	2,065	$ 56	250	7		
Fees and service charges	112,997	90,622	68,615	58,311	48,993	40,390
Other	57,608	53,220	54,289	36,039	34,229	32,563
Total	$ 1,118,259	$ 988,748	$ 861,159	$ 754,598	$ 682,139	$ 626,087
Expenditure - general municipal	$ 1,112,253	$ 1,004,221	$ 843,425	$ 758,245	$ 659,292	$ 627,271
Transfers to the school boards	$ 1,005,058	$ 907,773	$ 776,569	$ 689,866	$ 633,845	$ 587,941
Net long term liabilities						
General municipal activities	$ 415,318	$ 419,148	$ 452,608	$ 478,786	$ 502,961	$ 493,320
per capita	$ 194	$ 191	$ 209	$ 222	$ 235	$ 229
percentage of taxable assessment	4.87%	4.99%	5.60%	5.96%	6.44%	6.47%
Municipal enterprises	$ 109,636	$ 123,293	$ 136,189	$ 145,636	$ 159,981	$ 157,236
Charges for net long term liabilities						
General municipal activities	$ 87,744	$ 85,853	$ 87,178	$ 86,950	$ 85,266	$ 83,160
per capita	$ 41.00	$ 39.22	$ 40.20	$ 40.33	$ 39.88	$ 38.68
Capital financing during the year						
Contributions from own funds	$ 81,598	$ 40,839	$ 50,028	$ 47,560	$ 29,962	$ 30,283
Long term liabilities incurred	38,160	9,131	12,362	15,413	48,887	34,592
Ontario grants	115,126	82,747	62,047	43,600	45,217	60,731
Other	20,879	14,801	13,559	21,387	25,403	20,233
Total	$ 255,763	$ 147,518	$ 137,996	$ 127,960	$ 149,469	$ 145,839
Capital expenditure during the year	$ 274,771	$ 153,681	$ 119,656	$ 111,205	$ 122,830	$ 153,277
Accumulated net revenue (deficit) at the end of the year	$ 39,329	$ 33,323	$ 48,796	$ 31,062	$ 34,709	$ 11,862
Reserves and reserve funds	$ 46,124	$ 80,654	$ 39,454	$ 23,994	$ 7,134	$ 4,637

The Municipality of Metropolitan Toronto

Balance Sheet

As at December 31, 1983

(in thousands of dollars)

	1983	1982
Assets		
Unrestricted		
Cash	$ 3,318	$ 1,280
Investments (note 5)	103,825	155,707
User charges receivable	21,838	13,977
Accounts receivable (note 13)	160,932	143,495
Other current assets	11,855	9,973
Long term receivables	1,537	1,996
	303,305	326,428
Restricted		
Cash	614	181
Investments (note 5)	13,364	11,028
Accounts receivable	309	53
Other current assets	116	110
	14,403	11,372
Capital outlay financed by long term liabilities and to be recovered in future years (notes 3, 6)	700,827	737,245
	$ 1,018,535	$ 1,075,045
Liabilities		
Temporary loans	$ 7,687	5,519
Accounts payable and accrued liabilities (notes 8, 9,10)	185,120	174,101
Other current liabilities (note 13)	13,051	9,936
	205,858	189,556
Long term payables	11,138	
Net long term liabilities (note 6)	700,827	737,245
Fund Balances at the End of the Year		
To be used to offset taxation or user charges in 1984	39,329	33,323
Unexpended capital financing	15,259	34,267
Reserves (note 12)	32,056	69,505
Reserve funds (note 12)	14,068	11,149
	$ 1,018,535	$ 1,075,045

(see accompanying notes)

The Municipality of Metropolitan Toronto

Statement of Operations

For the Year Ended December 31, 1983

(in thousands of dollars)

	1983	1982
Sources of Financing:		
Taxation and user charges		
Requisition on local municipalities	$1,552,708	$1,400,935
Less: School board requisition	(1,005,058)	(907,773)
User charges	118,863	91,122
	666,513	584,284
Grants		
Government of Canada	2,526	723
Province of Ontario	513,065	434,435
	515,591	435,158
Other		
Investment income	13,662	26,662
Sale of land	5,599	5,040
Fines	22,716	21,185
Other	18,993	17,843
	60,970	70,730
Proceeds from the issue of long term liabilities	37,552	10,007
Net appropriations from reserves and reserve funds	34,530	
Municipal Fund Balances at the Beginning of the Year		
To be used to offset taxation or user charges	33,323	48,796
Unexpended capital financing	34,267	65,730
Total financing available during the year	$1,382,746	$1,214,705

	1983	1982
Applied To:		
Current operations		
General government	$ 47,870	$ 40,819
Protection to persons and property	304,696	302,666
Transportation services	181,414	170,133
Environmental services	101,704	92,417
Health services	31,282	28,082
Social and family services	320,093	259,414
Recreation and cultural services	55,718	52,446
Planning and development	12,058	5,448
	1,054,835	951,425
Capital		
General government	408	623
Protection to persons and property	21,320	5,140
Transportation services	163,497	106,277
Environmental services	69,520	26,031
Health services	2,822	2,649
Social and family services	6,845	5,302
Recreation and cultural services	8,890	8,443
Planning and development	21	25
	273,323	154,490
Net appropriations to reserves and reserve funds		41,200
Municipal Fund Balances at the End of the Year		
To be used to offset taxation or user charges	39,329	33,323
Unexpended capital financing	15,259	34,267
Total applications during the year	$1,382,746	$1,214,705

(see accompanying notes)

The Municipality of Metropolitan Toronto

Notes to the Financial Statements

For the Year Ended December 31, 1983

1. Significant Accounting Policies

The financial statements have been prepared in accordance with accounting principles for municipalities in Ontario as required by the Ontario Ministry of Municipal Affairs and Housing and reflect the following policies as set forth in the Municipal Financial Reporting Handbook:

(a) Basis of Consolidation

(i) Statement of Operations

This statement reflects the sources of financing and expenditures of the revenue fund, reserves, reserve funds and the capital fund of the Municipality. Also included therein is

- the Metropolitan Education Levy requisitioned upon the Metropolitan area municipalities on behalf of the Metropolitan Toronto School Board
- the long term debt incurred on behalf of the Metropolitan Toronto Waterworks System together with the accompanying transfer of capital funds.

The operations of the following local boards are, because of their legal relationship to the Municipality and for administrative purposes, contained within the books of account of the Corporation and are accordingly included within these financial statements:

Metropolitan Board of Commissioners of Police
Metropolitan Licensing Commission

The following local boards and municipal enterprises of the Municipality are not consolidated in these financial statements:

Metropolitan Toronto Waterworks System
Metropolitan Toronto Library Board
Toronto Transit Commission
Gray Coach Lines, Limited
Board of Governors of Exhibition Place
Metropolitan Toronto Housing Company Limited
Board of Management of the O'Keefe Centre
Board of Management of the Metropolitan Toronto Zoo
Metropolitan Toronto School Board

(ii) Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, reserve funds and capital fund of the Municipality, the Metropolitan Board of Commissioners of Police and the Metropolitan Licensing Commission.

(iii) Non-Consolidated Entities

For those local boards and municipal enterprises of the Municipality which are not consolidated, the Balance Sheet does not reflect their assets or liabilities except to the extent of the net long term liabilities issued by the Municipality on behalf of its municipal enterprises and the amounts due to or from those entities. The Statement of Operations does not reflect their revenues and expenditures except to the extent of the Municipality's contribution to those entities.

(iv) Trust Funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and the Trust Funds Balance Sheet.

(b) Basis of Accounting

(i) Charges for Long Term Liabilities

Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they fall due. Interest and principal charges are not accrued for the periods from the latest due dates to the end of the financial year. It is the intention of Metropolitan Council to convert to a system of full accrual of debenture interest charges on January 1, 1985, and, to permit the phasing of the fiscal impact over intervening years, allocations are being made to a reserve established for this purpose.

(ii) Revenue and Expenditure Recognition

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Capital Outlay Financed by Long Term Liabilities and to be Recovered in Future Years

The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Instead the "Capital outlay financed by long term liabilities and to be recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures, the value of long term obligations arising out of capital leases entered into by the Municipality, and capital funds transferred to local boards and municipal enterprises of the Municipality, is reported on the Balance Sheet.

(iv) Liabilities Payable in Foreign Currencies

Long term debt payable in U.S. Funds has been converted into Canadian Funds at the exchange rates prevailing at the time the debt was incurred.

(v) Inventories

Inventories of supplies amounting to $3,369,000 (1982 - $2,873,000) and included in "Other Current Assets - Unrestricted" on the Balance Sheet are valued at cost of acquisition.

2. Contributions to Unconsolidated Joint Boards

The assets and liabilities of The Metropolitan Toronto and Region Conservation Authority - an unconsolidated joint board of the Metropolitan Corporation - have not been consolidated and are not reported on the Balance Sheet, except to the extent of the long term liabilities to be recovered from general taxation.

The operations of The Metropolitan Toronto and Region Conservation Authority have also not been consolidated. The Statement of Operations includes only the following contributions made by the Municipality to the Authority:

(in thousands)

	1983	1982
for current purposes	$3,236	$3,663
for capital purposes	1,520	1,315

3. Capital Outlay Financed by Long Term Liabilities and to be Recovered in Future Years

(a) Some capital outlay to be recovered in future years does not represent a burden on general municipal revenues as it is to be recovered either from revenue of the School Board or from the individual municipal enterprises as follows:

(in thousands)

	1983	1982
Metropolitan Toronto School Board	$175,873	$193,831
Metropolitan Toronto Waterworks System	85,928	96,323
Toronto Transit Commission	23,708	26,970

(b) Capital outlays, fixed asset purchases and transfers of capital funds totalling $55,309,000 (1982 - $38,149,000) which have been financed from general municipal revenues of the current year are reported on the Analysis of Current Operations.

4. Trust Funds

Trust funds administered by the Municipality amounting to $16,604,000 (1982 - $16,157,000) have not been included in the Balance Sheet nor have their operations been included in the Statement of Operations.

5. Investments

The unrestricted investments of $103,825,000 (1982 - $155,707,000) and restricted investments of $13,364,000 (1982 - $11,028,000) are recorded on the Balance Sheet at cost. The market value of these investments at the end of the year approximates book value.

6. Net Long Term Liabilities

(a) Debenture Debt

Under the provisions of the Municipality of Metropolitan Toronto Act, the Metropolitan Corporation has the sole responsibility for borrowing money for its own account, the accounts of its local boards and municipal enterprises, and for the accounts of its area municipalities and their local boards and enterprises. It also assumed, under the provisions of the Act, certain debt incurred directly by its area municipalities prior to this statutory responsiblity. Where money is borrowed or debt assumed on behalf of other bodies, repayment of the related debt servicing requirements is made by these bodies to the Municipality.

(b) Other Long Term Obligations

Included in this category are:

- the long term obligations arising out of lease purchase agreements entered into by the Municipality in respect of the Animal Domain Ride vehicles at the Metropolitan Toronto Zoo amounting to $3,417,000 (1982 - $3,706,000) and also in respect of the purchase of computer equipment by the Metropolitan Police Commission in the sum of $804,000 (1982 - $974,000).
- a long term interest free loan payable to the Province of Ontario in connection with the capital cost of the expansion of Exhibition Stadium amounting to $8,104,000 (1982 - $8,177,000).

(c) Reconciliation of Gross Long Term Liabilities with Net Long Term Liabilities as reported on the Balance Sheet

In respect of debenture debt Total principal amount outstanding and incurred by the Municipality

(in thousands)

In respect of debenture debt		
Total principal amount outstanding and incurred by the Municipality		
for own account	$696,528	
for local boards and municipal enterprises	224,095	
for Metropolitan Toronto School Board	229,103	
for area municipalities	427,525	$1,577,251
Total principal amount outstanding incurred by area municipalities and assumed by the Municipality		
for own account	693	
for Metropolitan Toronto School Board	105	798
		1,578,049
Less: Principal amount outstanding payment of which is to be recovered from others		
from area municipalities	427,525	
from Province of Ontario (in respect of assets assumed)	13,444	440,969
		1,137,080
Less: Value of funds accumulated to retire outstanding long term liabilities		

(continued)

(brought forward)			1,137,080
Sinking Fund			
for own account	**280,481**		
for local boards and municipal enterprises	**114,459**		
for Metropolitan Toronto School Board	53,335	448,275	
Ministry of the Environment Debt Retirement Fund		303	448,578
Net Long Term Liabilities - Debenture Debt			688,502
In respect of other long term obligations			
Net Long Term Liabilities			
Capital Leases		4,221	
Long Term Loans		8,104	12,325
Total Net Long Term Liabilities			$700,827
Net long term liabilities outstanding are in respect of the following purposes: General municipal activities other than the Metropolitan Toronto Library Board			$394,894
The Metropolitan Toronto Library Board			20,424
The Metropolitan Toronto Waterworks System (recovered from the revenues of the Waterworks System)			85,928
The Toronto Transit Commission (recovered from the revenues of the Commission)			23,708
The Metropolitan Toronto School Board (recovered from the revenues of the School Board)			175,873
Total			$700,827

(d) Net Long Term Liabilities - Future Redemption

Of the net long term liabilities reported in (c) of this note, $259,651,000 in principal payments are payable from 1984 to 1988, $199,179,000 from 1989 to 1993 and $108,424,000 thereafter, and are summarized as follows:

(in thousands of dollars)

	1984 to 1988	1989 to 1993	1994 and thereafter
from General Municipal Revenues	$127,256	$114,042	$66,841
from the Metropolitan Toronto Waterworks System	23,571	22,029	14,240
from the Toronto Transit Commission	9,058	10,749	3,595
from the Metropolitan Toronto School Board	99,766	52,359	23,748
Total	$259,651	$199,179	$108,424

(e) Translation of Net Long Term Liabilities payable in U.S. Funds

Included in the total of $700,827,000 is an amount of $205,242,000 payable in U.S. funds and converted at rates of exchange prevailing at the time the liability was incurred. If translated at the exchange rate prevailing at December 31, 1983, the Canadian dollar equivalent of this amount of debt would be increased by $37,072,000 (1982 - $37,359,000).

(f) Ontario Municipal Board

Approval of the Ontario Municipal Board has been obtained for the long term liabilities reported on the Balance Sheet.

7. Charges for Long Term Liabilities

Payments and recoveries in respect of the total debt incurred by the Municipality for its own account and on account of its local boards and municipal enterprises are set out below. Also included are payments in respect of capital leases entered into by the Municipality, and, where applicable, loan repayments to the Province of Ontario in respect of the long term loan for the expansion of Exhibition Stadium.

(in thousands)

	1983	1982
Principal payments including contributions to sinking funds and to the Ministry of the Environment Debt Retirement Fund	$54,340	$50,689
Interest	97,380	100,555
	151,720	151,244
Recoveries from local boards and municipal enterprises for whom the long term liability was incurred	63,976	65,134
	$87,744	$86,110

The amount of $87,744,000 is charged to expenditures on the Statement of Operations under the appropriate functional classifications and consists of principal payments of $27,967,000 and interest payments of $59,777,000. Payments of interest and principal on debt issued in U.S. currency included in these amounts are reflected at the actual Canadian dollar costs incurred. Principal payments include the sum of $1,486,000 (1982 - $1,183,000) which reflects the excess of costs of conversion to U.S. funds over the corresponding principal amounts recorded at the time the debt was issued.

8. Contractual Oblitagions

(a) Capital Fund

Property Settlements Outstanding

Due to the lengthy processes involved in the agreement of the valuation of properties expropriated for capital improvements, there were a number of settlements outstanding at the end of the year. In view of the complexities of arriving at valuations of such properties, no liability has been brought to account or determined for such outstanding property settlements as at December 31, 1983.

Long Term Liabilities Incurred on Behalf of Area Municipalities

The Municipality is contingently liable for long term liabilities incurred on behalf of its area municipalities. The total amount outstanding as at December 31, 1983 was $427,525,000 (1982 - $415,950,000) and is not recorded on the Balance Sheet. During the year long term liabilities of $43,926,000 (1982 -$30,216,000) were incurred on behalf of the Metropolitan area municipalities and are not reflected on the Statement of Operations.

(b) Revenue Fund

Reduced T.T.C. Fares for the Elderly

The Municipality has entered into an agreement with the Toronto Transit Commission whereby the Municipality has undertaken to assume the cost of the difference between the cost of regular adult fares and half-fares paid by residents of the Municipality 65 years of age and over, effective January 1, 1971, as amended. This agreement continues in force until terminated by either party on sixty days' notice. Expenditures by the Municipality amounted to $8,796,000 in 1983 and provision has been made in the estimates for 1984 for an expenditure of $9,300,000 in this regard.

9. Past Service Pension Costs

In addition to regular payments in respect of current service, the Municipality is obligated to pay the following amounts in respect of past service into various pension and benefit plans as follows

(in thousands)

Total - 1984 to 1987	$ 51,906
Total - 1988 to 1991	51,493
Total - 1992 to 1994	26,040
Total Commitment as at December 31, 1983	$ 129,439

No provision has been made in the accounts for these obligations, and the expense is recorded as annually incurred. In this regard, expenditure of $13,014,000 was incurred in 1983 and is reported on the Statement of Operations.

10. Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment.

Metropolitan Council on April 23, 1982, approved the establishment of a Corporate Sick Pay Reserve Fund to cover payouts to employees of the Metropolitan Corporation, the Metropolitan Waterworks System and the Metropolitan Toronto Housing Company Limited, such that contributions to the fund are sufficient to offset expected payouts over a given period of time. Projections are required to be made over a forecast period of ten years, such projection process being repeated every two years. It is anticipated that this process will stabilize the financial impact on the Corporation in respect of future payment of vested sick leave benefits.

Based on the latest projections, contributions to the Corporate Sick Pay Reserve Fund are anticipated to amount to $12,529,000 for the years 1984- 1986, $17,861,000 for the years 1987-1989 and $24,427,000 for the years 1990-1992 and allow the funds in reserve to remain generally between 15 and 20 per cent of the contingent liability represented by vested sick leave benefits. As at December 31, 1983, the balance of the Corporate Sick Pay Reserve Fund stood at $12,428,000 while the contingent liability in regard to vested sick leave benefits amounted to $56,934,000.

Contributions to the Corporate Sick Pay Reserve Fund in 1983 relative to employees of the Metropolitan Corporation amounted to $3,649,000, and are reported on the Analysis of Current Operations.

11. Municipal Equity at the End of the Year

(a) The balance on the Statement of Operations of municipal equity of $54,588,000 (1982 - $67,590,000) at the end of the year is comprised of the following:

(in thousands)

	1983	1982
for general reduction of taxation	$39,329	$33,323
acquisition of fixed assets to be recovered through taxation	(17,840)	(9,166)
acquisition of fixed assets to be financed from the proceeds of long term liabilities	(17,840)	(9,166)
funds available for the acquisition of fixed assets	50,939	52,599
Total	$54,588	$67,590

(b) Approval of the Ontario Municipal Board has been obtained for the pending issues of long term liabilities and for those commitments to be financed from revenues beyond the term of Council

12. Reserves and Reserve Funds

The total balance of reserves and reserve funds of $46,124,000 (1982 - $80,654,000) is made up of the following:

(in thousands)

	1983	1982
Set aside for specific purposes by Council		
Reserves		
for exchange stabilization	$2,360	$2,360
for replacement of equipment	2,465	2,722
for sick pay benefits	1,158	404
for debenture interest accrual	7,650	3,825
for capital financing stabilization	9,616	39,694
for capital expenditures	-	5,000
for parks and recreation programs and facilities	1,089	1,000
for construction of convention centre	6,543	13,500
for emergency response facilities	1,175	1,000
	32,056	69,505

Reserve Funds		
for sick pay benefits	12,428	10,079
for insurance	749	731
for parks and recreation programs and facilities	776	228
	13,953	11,038
Set aside for specific purposes by legislation, regulation or agreement		
Reserve Funds for Lakeview Sewage Treatment Plant - Ministry of the Environment Reserve Fund for contingencies	115	111
Total	$46,124	$80,654

13. Sinking Funds Surplus Monies

The actual Sinking Funds reflected in the value of net long term liabilities at the end of the year do not include specific accumulations at that date in excess of the total related debt. Because those accumulations are subject to a decision of The Metropolitan Council as to their use for either capital or revenue purposes, it has been the Corporation's policy not to reflect such accumulations in the financial statements. Commencing with the 1983 reporting year, these specific surplus sinking funds accumulations amounting to $11,470,000 Canadian (1982 - $8,694,000 Canadian) have been recorded as receivable. Corresponding amounts have been set up as deferred revenue and are included on the Balance Sheet under "Other Current Liabilities". The 1982 figures have been restated to conform with the current year's presentation.

14. Ontario Inflation Restraint Program

Pursuant to the terms of The Inflation Restraint Act enacted by the Ontario Legislature on December 15, 1982, the Municipality of Metropolitan Toronto is subject to the Ontario Inflation Restraint Program. Accordingly, salaries and wages paid by the Municipality of Metropolitan Toronto were subject to restraint under the Provincial program

15. Changes in Accounting and Reporting Policies

Ontario Municipalities and their local boards must follow the accounting principles outlined in the Municipal Financial Reporting Handbook. Effective for the 1983 fiscal year, many of the accounting and reporting requirements were substantially revised. The 1982 figures presented for comparative purposes have been restated to conform with the new presentation in 1983. The revisions have not resulted in any change in Fund Balances at the end of either year. The following summary outlines the more significant changes made:

a) Presentation of a Balance Sheet and Statement of Operations which combines the position and operations of the revenue fund, capital fund, reserves and reserve funds. Prior to 1983, these were presented individually.

b) Restricted assets, comprising assets of reserve funds, are now reported as such.

c) Previously, the capital expenditures yet to be permanently financed were combined with the total of unmatured long term liabilities and reported in the Balance Sheet as "Capital outlay to be recovered in future years". Presently, the capital expenditures yet to be permanently financed are offset against the capital funds available for the acquisition of fixed assets and are reported on the Balance Sheet as "Unexpended capital financing" under the heading "Fund Balances". The total of unmatured long term liabilities is now represented by "Capital outlay financed by long term liabilities and to be recovered in future years".

The Municipality of Metropolitan Toronto

Analysis of Current Operations

For the Year Ended December 31, 1983

(in thousands of dollars)

	1983 Actual	1983 Budget	1983 Budget Comparison	1982 Actual
Surplus at the Beginning of the Year	$ 33,323	$ 33,482	$ (159)	$ 48,796
Revenue				
Taxation and User Charges				
Requisition on local municipalities	1,552,708	1,539,288	13,420	1,400,935
Less: School board requisition	(1,005,058)	(996,407)	(8,651)	(907,773)
User charges	112,997	104,593	8,404	90,622
Grants				
Government of Canada	2,065	1,975	90	56
Province of Ontario	397,939	402,622	(4,683)	351,688
Other				
Investment income	12,351	13,000	(649)	23,506
Fines	22,716	25,800	(3,084)	21,185
Other	22,541	21,952	589	8,529
	1,118,259	1,112,823	5,436	988,748
Expenditures				
General Government	52,212	50,358	(1,854)	64,722
Protection to persons and property	315,467	314,109	(1,358)	291,735
Transportation services	200,526	198,018	(2,508)	184,621
Environmental services	121,423	131,141	9,718	104,768
Health services	34,372	36,603	2,231	30,152
Social and family services	322,282	337,737	15,455	261,800
Recreation and cultural services	60,838	62,335	1,497	57,936
Planning and development	5,133	7,144	2,011	8,487
Other		8,860	8,860	
	1,112,253	1,146,305	34,052	1,004,221
Surplus at the End of the Year	$ 39,329	$ –	$ 39,329	$ 33,323

The Municipality of Metropolitan Toronto

Analysis of Capital Operations

For the Year Ended December 31, 1983

(in thousands of dollars)

	1983	1982
Source of Funds		
General Municipal purposes		
Long term liabilities incurred	$ 38,160	$ 9,131
Ontario grants	115,126	82,747
Other	20,879	14,801
Appropriations from other funds		
current operations	55,309	38,149
reserves	25,795	2,121
reserve funds	494	569
	$ 255,763	$ 147,518
Municipal Enterprise purposes		
Long term liabilities incurred on behalf of the Metropolitan Toronto Waterworks System		1,001
	255,763	148,519
Expenditures and Transfers		
General Municipal purposes		
General government	432	658
Protection to persons and property	21,457	5,140
Transportation services	164,255	106,336
Environmental services	70,036	25,128
Health services	2,822	2,649
Social and family services	6,845	5,302
Recreation and cultural services	8,904	8,443
Planning and development	20	25
	274,771	153,681
Municipal Enterprise Purposes		
Transfer of proceeds of issue of long term liabilities to the Metropolitan Toronto Waterworks System		1,001
	274,771	154,682
Unexpended capital financing at the beginning of the year	34,267	65,730
Appropriation of prior years' financing re general municipal purposes to capital financing stabilizing reserve		25,300
Unexpended capital financing at the end of the year	$ 15,259	$ 34,267

The Municipality of Metropolitan Toronto

Analysis of Reserves and Reserve Funds

For the Year Ended December 31, 1983

(in thousands of dollars)

Reserves

	Exchange Stabilization	Replacement of Equipment	Convention Centre
Balance at the beginning of the year	$ 2,360	$ 2,722	$ 13,500
Appropriations from (to) current operations		3,946	
Interest earned			
Other contributions		155	
Appropriations to reserve funds		(4)	
Appropriations from (to) capital operations		(3,217)	
Other charges		(1,137)	(6,957)
Balance at the end of the year	$ 2,360	$ 2,465	$ 6,543

Reserve Funds

	M.O.E. Contingencies Reserve Fund
Balance at the beginning of the year	$ 111
Revenue	
Contributions from current operations	
Contributions from capital operations	
Contributions from reserves	
Contributions from others	
Interest earned	4
	4
Expenditure	
Contributions to current operations	
Contributions to capital operations	
Other charges	
Balance at the end of the year	$ 115

Emergency Response Facility	Police Central Sick Pay	Acquisition of Parklands	Debenture Interest Accrual	Metro Capital Facilities	Capital Financing Stabilization	C.N.E.A. Vested Reserves	Total 1983	Total 1982
$ 1,000	$ 404	$ 1,000	$ 3,825	$ 5,000	$39,694	$	$69,505	$23,160
175	877		3,825	(5,000)	(7,500)		(3,677)	31,197
								1,500
						89	244	2
							(4)	(8,000)
					(22,578)		(25,795)	23,179
	(123)						(8,217)	(1,533)
$ 1,175	$ 1,158	$ 1,000	$ 7,650	$	$ 9,616	$ 89	$32,056	$69,505

O'Keefe Centre Capital Improvements	Stadium Capital Improvements	Insurance Reserve Fund	Corporate Sick Pay	Regent Park Community Centre	C.N.E.A. Vested Reserve Fund	Total 1983	Total 1982
$ 180	$ 48	$ 731	$10,079	$	$	$11,149	$16,294
249	584	340	3,649	43		4,865	10,711
		7				7	7
			4			4	8,000
		190	248		150	588	780
24	9	92	1,200	1		1,330	1,711
273	593	629	5,101	44	150	6,794	21,209
	18					18	56
320	174					494	570
		611	2,752			3,363	25,728
320	192	611	2,752			3,875	26,354
$ 133	$ 449	$ 749	$12,428	$ 44	$ 150	$14,068	$11,149

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone: (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

April 3, 1984

AUDITOR'S REPORT

**To the Chairman and Members of the
Toronto Transit Commission**

I have examined the balance sheet of the Toronto Transit Commission as at December 31, 1983 and the statements of revenue and expenses and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Toronto Transit Commission as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

Toronto Transit Commission

Balance Sheet - Assets

For the Year Ended December 31, 1983

(in thousands)

	1983	1982
Assets		
Current assets		
Cash	$ 2,007	$ 1,151
Accounts receivable:		
The Municipality of Metropolitan Toronto	38,440	32,104
Gray Coach Lines, Limited, current account	4,157	4,125
Other	2,600	2,403
Material and supplies, at cost	15,772	13,595
Working funds and prepaid expenses	2,477	3,175
	65,453	56,553
Investment in capital stock of Gray Coach Lines, Limited, at cost (note 4)	1,000	1,000
Capital assets (note 2):		
Land, buildings, subway, power distribution system, trackwork, rolling stock, buses and other equipment, at cost	1,136,261	1,065,301
Less: Capital contributions	914,088	845,056
	222,173	220,245
Less: Accumulated depreciation	143,477	143,145
	78,696	77,100
Under construction and not yet in service	143,524	82,109
Less: Capital contributions	143,524	82,109
Total capital assets	78,696	77,100
	$ 145,149	$ 134,653

(see accompanying notes)

Balance Sheet - Liabilities and Equity

For the Year Ended December 31, 1983

(in thousands)

	1983	1982
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 61,856	$ 49,447
Current portion of capital debt (note 5)	1,811	2,237
	63,667	51,684
Provision for:		
Tickets and tokens held by the public	10,900	10,550
Public liability and workers' compensation	3,500	2,500
	14,400	13,050
Long term portion of capital debt (note 5):		
The Municipality of Metropolitan Toronto- For debentures maturing in annual instalments from 1984 to 1995	17,557	19,036
For sinking fund debentures maturing between 1993 and 1997, less sinking fund balance of $15,468,000 (1982 - $14,110,000)	4,340	5,698
	21,897	24,734
Equity		
Equity acquired from Toronto Transportation Commission on January 1, 1954:		
Earnings retained and invested in improvement and expansion of the system by Toronto Transportation Commission	24,804	24,804
Earnings retained and invested in the system by Toronto Transit Commission (unchanged from prior year)	20,381	20,381
	45,185	45,185
	$ 145,149	$ 134,653

(see accompanying notes)

Statement of Revenue and Expenses

For the Year Ended December 31, 1983

(in thousands)

	1983	1982
Revenue from operations		
Passenger services	$ 248,803	$ 230,794
Rental of land, air rights, buildings, subway concessions and equipment	4,718	4,347
Rental of advertising space	3,681	3,689
Dividend from Gray Coach Lines, Limited (note 4)	700	600
Miscellaneous	1,447	1,468
Total	259,349	240,898
Operating subsidy (note 1)	103,440	92,941
Total revenue and operating subsidy	$ 362,789	$ 333,839
Expenses:		
Wages, salaries and other employee costs	$ 279,485	$ 254,724
Materials, services and supplies other than the items shown below	34,571	32, 395
Electric traction power	14,034	13,656
Automotive fuel, including federal and provincial taxes	18,257	17,879
Vehicle and other licences	528	556
Municipal taxes	3,370	2,865
Public liability costs	3,924	3,433
Depreciation (note 3)	7,604	7,008
Debenture interest	1,016	1,323
Total expenses	$ 362,789	$ 333,839

(see accompanying notes)

Toronto Transit Commission

Statement of Changes in Financial Position

For the Year Ended December 31, 1983

(in thousands)

	1983	1982
Source of funds:		
Revenue from operations	$ 259,349	$ 240,898
Sales of capital assets	112	56
	259,461	240,954
Operating subsidy (note 1)	103,440	92,941
	362,901	333,895
Application of funds:		
Operating expenses	362,789	333,839
Deduct items not requiring current funds		
Depreciation	(7,604)	(7,008)
Increase in provisions	(1,350)	(75)
	353,835	326,756
Expenditure on capital assets (note 2)	140,280	87,917
Less: Capital contributions	130,968	77,991
	9,312	9,926
Decrease in long term portion of capital debt	2,837	3,156
	365,984	339,838
Decrease in working capital	(3,083)	(5,943)
Working capital at beginning of year	4,869	10,812
Working capital at end of year	$ 1,786	$ 4,869

(see accompanying notes)

Toronto Transit Commission

Notes to Financial Statements

December 31, 1983

1. Operating Subsidy:

By agreement with The Municipality of Metropolitan Toronto, the Commission establishes its fares each year at the level required to produce total budgeted revenue from operations equal to 68% of total operating expenses (as defined for provincial subsidy purposes). The Municipality undertakes in its budget to provide an operating subsidy equal to the remaining expenses.

The Province of Ontario, through its Transit Operating Assistance Programme, pays a subsidy to the Municipality, calculated on a formula which provides for:

a) a basic subsidy of 13.75% of transit operating expenses plus an additional 0.25% for each 1% that the actual revenue/cost ratio falls below 72.5%, up to a maximum subsidy rate of 15.47%, plus

b) special subsidies on the initial operations of major new transit facilities.

Under these arrangements, if actual revenue and expenses for the year are equal to the budgeted figures, the operating subsidy is shared approximately equally by the Municipality and the Province.

In 1983, the actual funding of transit operating expenses (as defined for provincial subsidy purposes) for the year is expected to be as follows:

By the Commission	68.5%
By the Province of Ontario	16.4%
By the Municipality	15.1%

2. Capital Assets and Capital Contributions:

The Commission constructs or purchases its capital asset additions and receives capital contributions as described below. Capital assets are recorded at gross cost in the financial statements and the capital contributions received are recorded as a deduction from this cost. The Commission does not accrue for construction holdbacks on projects where the Municipality of Metropolitan Toronto has complete financial responsibility. These holdbacks are not included in the financial statements as they do not enter into the undernoted capital contributions calculation until actually paid by the Commission. At December 31, 1983, these holdbacks amounted to $2,377,000 (1982 - $2,673,000). Land purchased directly by the Municipality, mainly for rapid transit purposes, is not recorded on the Commission's books.

The current bases for capital contributions are as follows:

a) For additions and improvements to the subway and light rail systems and equipment and for certain other projects, the Municipality makes a capital contribution equal to the total cost and recovers 75% of this amount from the Province.

b) For most of its other capital asset additions, including buses, the Commission receives from the Province a 75% capital contribution that is paid through the Municipality.

3. Depreciation Policy:

The provision for depreciation on capital assets is computed on the straight-line method at rates based on the estimated average useful life of each asset group. Depreciation is charged only on that portion of the total cost of capital assets borne by the Commission.

4. Gray Coach Lines, Limited:

Gray Coach Lines, Limited, a wholly-owned subsidiary of the Toronto Transit Commission, operates inter-urban coach services and, through its subsidiary, Gray Coach Travel Inc., a travel business. Its consolidated financial statements are published separately. The accounts of Gray Coach Lines are not consolidated with those of the Toronto Transit Commission because consolidation is not felt to be the more informative presentation in the circumstances. The earnings of the Company, after payment of dividends to the Commission, are retained to maintain and improve the service and facilities for the benefit of the population it serves and are not likely to accrue to the Commission. In addition, the company's fares and routes are regulated by the Province of Ontario and a significant part of the Company's operations is carried out under an agreement with the Toronto Area Transit Operating Authority as part of the "Go Transit" commuter system.

The earnings of Gray Coach Lines, Limited are recorded in the accounts of the Commission only to the extent of dividends received which amount to $700,000 in January 1983 (January 1982 - $600,000). A dividend of $700,000 was received in January 1984. The results of Gray Coach Lines' operations are summarized as follows:

Gray Coach Lines, Limited
(including Gray Coach Travel Inc.)

(in thousands)

Year ended December 31

	1983	1982
Revenue	$47,361	$44,542
Expenses, including Ontario income taxes	44,986	42,352
Net earnings for the year	$ 2,375	$ 2,190

The Company's balance sheet is summarized as follows:

December 31

	1983	1982

(continued)

(brought forward)

Assets

Current assets	$ 6,097	$ 6,666
Term investments held for replacement of terminals and public liability settlements	6,500	6,000
Capital assets, at cost less accumulated depreciation	14,756	13,022
	$27,353	$25,688

Liabilities and Shareholder's Equity

Current liabilities	$ 6,374	$ 6,473
Provisions, mainly for public liability and workers' compensation	1,780	1,691
Capital stock, reserve and retained earnings	19,199	17,524
	$27,353	$25,688

The Statement of Revenue and Expenses reflects charges of $6,285,000 in 1983 ($5,799,000 in 1982) made to Gray Coach Lines, Limited by the Commission for rental of property and equipment, use of joint facilities and administrative services.

5. Capital Debt:

Capital borrowings by the Commission are effected through the issue of Municipality of Metropolitan Toronto debentures. The Commission is required to provide the Municipality with funds to meet all principal and interest payments on such debentures. At December 31, 1983, the net capital debt of the Commission was as follows:

(in thousands)

	1983	1982
Instalment debentures -		
3½% final instalment due 1983	$	$ 290
4% final instalment due 1983		201
3¼% final instalment due 1984	183	359
5 3/8% final instalment due 1992	1,979	2,147
5½% final instalment due 1993	5,185	5,567
5¼% final instalment due 1995	11,697	12,385
	19,044	20,949
Less current portion	1,487	1,913
	17,557	19,036
Sinking fund debentures -		
5% due 1993	203	356
6% due 1996	2,235	2,934
6% due 1997	973	1,209
7% due 1997	1,253	1,523
	4,664	6,022
Less current portion	324	324
	4,340	5,698
	$21,897	$24,734

Instalment debenture maturities and scheduled sinking fund payments required in each of the next five years are approximately $1,811,000.

The sinking fund balance of $15,468,000 at December 31, 1983 consists of:

a) the annual levies paid by the Commission into The Municipality of Metropolitan Toronto sinking fund together with interest credited at the rate of 3% per annum, which is the rate to provide sufficient funds to retire the debentures at maturity, and

b) the Commission's equity of $5,057,000 in the actual earnings of the sinking fund in excess of the 3% rate.

6. Pensions:

The Commission has a contributory pension plan covering substantially all employees including those assigned to Gray Coach Lines, Limited. The Commission and employees contribute equally to the Pension Fund Society. The rate of contributions for 1983 for each member and the Commission was 7.5% of wages and salaries less the amounts required to be contributed to the Canada Pension Plan. The contribution by the Commission covers both its share of current service costs and amounts required to liquidate the unfunded liabilities of the plan, which at January 1, 1983 amounted to approximately $111,000,000 over the periods prescribed by law. These unfunded liabilities result from improvements made to the plan in 1983 and prior years, based on the advice of the Society's independent actuaries.

7. Comparative Balances:

Certain 1982 figures have been restated to reflect format changes made to the financial statements in 1983.

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GrayCoach

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone: (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

April 5, 1984

AUDITOR'S REPORT

To the Shareholder of
Gray Coach Lines, Limited

I have examined the consolidated balance sheet of Gray Coach Lines, Limited as at December 31, 1983 and the consolidated statements of revenue and expenses, retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

Gray Coach Lines, Limited

Consolidated Balance Sheet

December 31

(in thousands)

	1983	1982
Assets		
Current Assets		
Cash	$ 802	$ 641
Short-term investments and interest-bearing deposits	3,478	4,322
Accounts receivable - Toronto Area Transit Operating Authority	723	691
Other, including accrued interest	853	777
Working funds and prepaid expenses	241	235
	6,097	6,666
Term Investments Held For:		
Replacement of terminals	5,500	5,000
Public liability and workers' accident settlements	1,000	1,000
	6,500	6,000
Capital Assets (note 3)	14,756	13,022
	$ 27,353	$ 25,688
Liabilities and Shareholder's Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 1,517	$ 1,648
Toronto Transit Commission - current account	4,157	4,125
Dividend payable to Toronto Transit Commission	700	700
	6,374	6,473
Provision For:		
Tickets held by the public	109	160
Public liability and workers' accident compensation	1,000	1,000
Deferred Ontario income taxes	671	531
	1,780	1,691
Capital Stock and Retained Earnings:		
Capital stock - Authorized and issued - 10,000 shares	1,000	1,000
Reserve for replacement of terminals	5,500	5,000
Retained earnings	12,699	11,524
	19,199	17,524
	$ 27,353	$ 25,688

Approved by the Board:

_______________ **Director** _______________ **Director**

(see accompanying notes)

Gray Coach Lines, Limited

Consolidated Statement of Revenue and Expenses

Year Ended December 31

(in thousands)

	1983	1982
Revenue:		
Passenger services, including contracted routes (note 2)	$ 39,703	$ 36,666
Parcel express	1,425	1,462
Commissions earned and other station revenue	3,691	3,582
Rental of equipment and buildings	851	804
Investment income	936	1,197
Other revenue	339	575
	46,945	44,286
Expenses:		
Wages, salaries and other employee costs	28,876	26,963
Materials, services and supplies other than the items shown below	8,836	8,728
Automotive fuel, including taxes	2,573	2,536
Commissions paid	2,365	2,113
Municipal taxes and provincial licenses	578	549
Public liability costs	315	300
Depreciation	1,032	833
	44,575	42,022
Income before undernoted item	2,370	2,264
Profit on disposal of capital assets	416	256
Earnings before income taxes	2,786	2,520
Provision for Ontario income taxes	411	330
Net Earnings for the Year	$ 2,375	$ 2,190

Consolidated Statement of Retained Earnings

Year Ended December 31

Retained earnings at beginning of year	$ 11,524	$ 10,934
Net earnings for the year	2,375	2,190
	13,899	13,124
Appropriation to reserve for replacement of terminals	500	900
Dividend to Toronto Transit Commission	700	700
	1,200	1,600
Retained earnings at end of year	$ 12,699	$ 11,524

(see accompanying notes)

Gray Coach Lines, Limited

Consolidated Statement of Changes in Financial Position

Year Ended December 31

(in thousands)

	1983	1982
Source of Funds:		
Net earnings for the year	$ 2,375	$ 2,190
Add (deduct) items not affecting working capital -		
Depreciation	1,032	833
Provision for deferred Ontario income taxes	140	100
Profit on disposal of capital assets	(416)	(256)
Provision for tickets held by public	(51)	
Working capital provided from operations	3,080	2,867
Proceeds on disposal of capital assets	416	550
	3,496	3,417
Application of Funds:		
Additions to capital assets -		
Coaches	2,177	1,952
Other	589	135
Term investments designated for replacement of terminals	500	900
Dividend to Toronto Transit Commission	700	700
	3,966	3,687
Decrease in working capital	(470)	(270)
Working capital at beginning of year	193	463
Working capital (deficiency) at end of year	$ (277)	$ 193

(see accompanying notes)

Notes to Consolidated Financial Statements

December 31, 1983

1. Summary of Accounting Policies:

The significant accounting policies are summarized below:

Consolidation

The consolidated financial statements include the accounts of Gray Coach Lines, Limited and its wholly-owned subsidiary company, Gray Coach Travel Inc.

Short-term and other investments

Short-term and other term investments are carried at cost which approximates market value.

Capital assets

Capital assets are carried at cost. Depreciation is provided on motor coaches on a straight-line basis over 12 years with a residual value of 15% of original cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the terminals, garages and other equipment, ranging generally from 5 to 30 years.

Contracted routes revenue

Contracted routes revenue includes gross amounts charged to Toronto Area Transit Operating Authority (TATOA) which are based on operating costs as defined in the "GO Transit" agreement (see Note 2).

2. "GO Transit" Agreement

A significant part of the company's operations is carried out under an agreement with TATOA. The company operates bus services on certain routes as part of the "GO TRANSIT" commuter system. TATOA provides most of the coaches used by Gray Coach Lines, Limited for these services. The current agreement is in effect to December 31, 1984.

3. Capital Assets

December 31

(in thousands)

	1983	1982
Land	$ 2,505	$ 2,505
Terminals and garages	5,298	5,137
Motor coaches	15,043	13,686
Other equipment	2,548	2,130
	25,394	23,458
Less: Accumulated depreciation	10,638	10,436
	$ 14,756	$ 13,022

4. Related Party Transactions

For purposes of administrative efficiency, the company's parent, the Toronto Transit Commission, employs all personnel and maintains all payroll records. The Commission has a contributory pension plan covering substantially all employees including those assigned to the company. The wages, salaries, fringe benefits, etc., of those Commission employees assigned to Gray Coach Lines, Limited are charged directly to the company. The company shares maintenance and other services with the Commission which charged $6,285,000 (1982 - $5,799,000) for rental of property and equipment, use of joint facilities and administrative services.

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone: (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

May 10, 1984

AUDITOR'S REPORT

The Chairman and Members of
The Metropolitan Council of
The Municipality of Metropolitan Toronto

I have examined the balance sheet as at December 31, 1983, of the Metropolitan Waterworks System and the statements of revenue, expenditure and accumulated net revenue, continuity of reserves and reserve funds, and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Metropolitan Waterworks System as at December 31, 1983, and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles for Ontario municipalities applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

Metropolitan Waterworks System

Balance Sheet

December 31, 1983
(with comparative figures for 1982)

(in thousands)

	1983	1982
Assets		
Current Assets		
Receivable from the Municipality	**$ 15,802**	$ 10,869
Accounts receivable - sale of water (note 5)	**10,255**	9,246
Other receivables	**5,922**	4,872
Prepaid expenses and deposits	**197**	225
Inventories	**480**	608
Total Current Assets	**32,656**	25,820
Long Term Investment Re Easement Reserve Fund (including interest receivable of $24,000 - 1982 $18,000)	**64**	58
Capital Outlay to be Recovered in Future Years	**85,928**	96,324
	$ 118,648	$ 122,202
Liabilities		
Current Liabilities		
Accounts payable (notes 3, 4)	**$ 2,103**	$ 3,191
Other current liabilities	**5,504**	3,944
Total Current Liabilities	**7,607**	7,135
Long Term Debt Financed by the Municipality (note 2)	**85,928**	96,324
Reserves and Reserve Funds	**3,380**	1,982
Accumulated Net Revenue	**13,844**	10,163
Unapplied Capital Receipts	**7,889**	6,598
	$ 118,648	$ 122,202

(see accompanying notes)

Metropolitan Waterworks System

Statement of Revenue, Expenditure and Accumulated Net Revenue

For the Year Ended December 31, 1983
(with comparative budgeted figures for 1983 and actual figures for 1982)

(in thousands)

	1983 Budget	1983 Actual	1982 Actual
REVENUE			
Sale of water	$ 64,300	**$ 67,431**	$ 59,921
Other revenue (Schedule I)	1,312	**2,127**	2,513
Total Revenue	65,612	**69,558**	62,434
Expenditure			
Operations			
Water supply	9,177	**10,390**	9,586
Power and pumping	11,759	**11,895**	11,033
Water transmission and distribution	4,512	**4,638**	4,330
Administration	11,604	**11,595**	10,433
Total Operating Expenditure (Schedule II)	37,052	**38,518**	35,382
Principal payments and interest charges on long term debt	23,314	**22,994**	22,775
Transfers to reserves and reserve funds	1,392	**1,392**	1,540
Capital expenditure out of current revenue	3,137	**2,973**	2,844
Total Expenditure	64,895	**65,877**	62,541
Net Revenue (Cost) for the Year	717	**3,681**	(107)
Accumulated Net Revenue, Beginning of Year	10,163	**10,163**	10,270
Accumulated Net Revenue, End of Year	$ 10,880	**$ 13,844**	$ 10,163

(see accompanying notes)

Metropolitan Waterworks System

Statement of Continuity of Reserves and Reserve Funds

For the Year Ended December 31, 1983
(with comparative figures for 1982)

(in thousands)

	Exchange Stabilization Reserve	Reserve for Accrual of Debenture Interest	Capital Financing Stabilizing Reserve	Reserve Fund for Liability for Easement	**Total 1983**	Total 1982
Balance, Beginning of Year	$ 384	$ 925	$ 615	$ 58	**$ 1,982**	$ 657
Contributions from current revenue		925	467		**1,392**	1,540
Interest earned				6	**6**	5
		925	467	6	**1,398**	1,545
Transfer to Metropolitan Toronto Reserve Fund						220
Balance, End of Year	$ 384	$ 1,850	$1,082	$ 64	**$ 3,380**	$ 1,982

Statement of Changes in Financial Position

	1983	1982
Source of Funds		
Total revenue	**$ 69,558**	$ 62,434
Total operating expenditure	**(38,518)**	(35,382)
Total provided from operations	**31,040**	27,052
Proceeds of debenture issue transferred from the municipality		1,015
Contributions from sinking funds	**3,943**	2,046
Other		
Ministry of Environment share of costs:		
Water supply facilities grants	**27**	2,034
Provincial community services contribution program	**520**	1,579
	35,530	33,726
Application of Funds		
Contribution to Metropolitan Sick Pay Reserve Fund		220
Capital expenditure	**6,172**	8,115
Principal payments and interest charges on long term debt	**22,994**	22,775
	29,166	31,110
Net Increase in Working Capital	**6,364**	2,616
Working Capital, Beginning of Year	**18,685**	16,069
Working Capital, End of Year	**$ 25,049**	$ 18,685

(see accompanying notes)

Metropolitan Waterworks System

Notes to Financial Statements

For the Year Ended December 31, 1983

1. Accounting Policies

(a) Financial Administration

The Municipality of Metropolitan Toronto Act requires the Waterworks System to be self-sustaining and to retain any surplus revenues generated from operations. Accordingly, the revenues, expenditures, assets and liabilities of the System are accounted for separately from the operations of the Municipality. For administrative convenience, staff of the System are employed by the Municipality, but all employee costs are charged directly to the System. The Municipality also provides working capital, temporary funding for capital works and issues debentures on behalf of the Waterworks System. Debt servicing requirements of these debentures are repaid by the System to the Municipality and charged against operating revenues of the System.

(b) Fixed Assets and Depreciation

Fixed assets are valued at the aggregate of the principal portion of net long term liabilities and reported on the Balance Sheet as "Capital Outlay to be recovered in future years". Accordingly, no depreciation is charged in the accounts.

(c) Inventories

Inventories are valued at cost.

(d) Liabilities Payable in Foreign Currencies

Long term debts payable in U.S. funds have been converted into Canadian funds at the exchange rate prevailing at the times the debts were incurred by the Municipality of Metropolitan Toronto.

(e) Charges for Net Long Term Liabilities

Debt servicing costs (principal and interest) are charged against current revenues in the periods in which they fall due. Interest charges are not accrued for the periods from the dates of the latest interest payments to the end of the financial year. It is the intention of Metropolitan Council to convert to a system of full accrual of debenture interest charges on January 1, 1985 and to permit the phasing of the fiscal impact over intervening years allocations are being made to a reserve established for this purpose.

The amount of $22,994,000 charged to expenditures on the Statement of Revenue and Expenditure consists of principal payments of $5,668,000 and interest payments of $16,877,000. Payments of interest and principal on debt issued in U.S. currency included in these amounts are reflected at the Canadian dollar cost incurred. Principal payments include the sum of $440,000 (1982 - $349,000) which reflects the excess of costs of conversion to U.S. funds over the corresponding principal amounts recorded at the times the debt was incurred.

2. Long Term Debt Financed by the Municipality to be Recovered from the Revenues of the Waterworks System

Total principal amount of long term liabilities outstanding	$ 184,968,000
Less: Value of sinking funds accumulated to retire outstanding long term liabilities	99,040,000
	$ 85,928,000

Included in the total of $85,928,000 is $50,243,000 of long term debt payable in U.S. funds converted at rates of exchange prevailing at the times the debt was incurred. If translated at the exchange rate prevailing at December 31, 1983, the Canadian dollar equivalent of this amount of debt would be increased by $9,419,000 (1982 - $9,445,000).

3. Vested Sick Leave Benefits

Under the sick leave benefit plan of the Municipality, unused sick leave can accumulate and employees, including employees of the Waterworks System, may become entitled to a cash payment when they leave the Municipality's employment.

In 1982, the Municipality of Metropolitan Toronto established a Corporate Sick Pay Reserve Fund in its own accounts to cover payouts to employees, including those of the System, such that contributions to the fund are sufficient to offset expected payouts over a given period of time.

For the purpose of establishing the level of this Fund, projections are required to be made over a forecast period of ten years, such projection process being repeated every two years. It is anticipated that this process will stabilize the financial impact on the System in respect of future payment of vested sick leave benefits. Based on the latest projections, the contributions of the System to the Corporate Sick Pay Reserve Fund are anticipated to amount to $633,000 for the years 1984-1986, $698,000 for the years 1987 to 1989 and $780,000 for the years 1990 to 1992. Such contributions will discharge any liability of the System in this regard.

The contribution of the Waterworks System to the Corporate Sick Pay Reserve Fund in 1983 amounted to $201,000.

4. Past Service Pension Costs

In addition to regular payments in respect of current service, the Metropolitan Toronto Waterworks is obligated to pay $382,000 in each of the years 1984 to 1992 in respect of an unfunded liability generated by improvements in the Metropolitan Toronto Pension Plan. No provision has been made in the accounts for this obligation. The expense is recorded when paid.

5. Water Billing Adjustments

The accounts include an advance of $250,000 paid to the Borough of York as an interim credit in respect of an apparent overbilling for the sale of water for the period August 1980 to April 1982. The disposition of this matter is still under negotiation with the anticipated result that all or a portion of the final amount involved may be recoverable from another area municipality and accordingly no provision has been made in the accounts for any potential loss in this regard.

6. Capital Financing Stabilizing Reserve

Metropolitan Council on March 15, 1983, approved the creation of a Capital Financing Stabilizing Reserve, commencing in 1982, for the purpose of stabilizing the contribution of the current fund towards capital expenditure at a level no greater than 50 per cent of the actual net capital financing requirements for the year. To the extent that the annual provision in the operating budget to finance capital expenditures exceeds this limit, the surplus is transferred to the reserve; conversely if such annual provision amounts to less than this limit, the Metropolitan Treasurer may draw upon the reserve to meet any shortfall.

The balance of the reserve stood at $1,082,000 as at December 31, 1983.

7. Ontario Inflation Restraint Program

Pursuant to the terms of the Inflation Restraint Act enacted by the Ontario Legislature on December 15, 1982, the Metropolitan Waterworks System was subject to the Ontario Inflation Restraint Program. Accordingly, salaries and wages paid by the Metropolitan Waterworks System in 1983 were subject to restraint under the Provincial program.

8. Comparative Figures

Certain of the 1982 figures presented here for comparative purposes have been reclassified to conform with the current year's presentation.

Analysis of Other Revenue and Operating Expenditures

For the Year Ended December 31, 1983
(with comparative figures for 1982)

(in thousands)

Other Revenue

Schedule I

	1983	1982
Rentals	$ 86	$ 71
Investment income	1,457	1,656
Proceeds from disposal of surplus properties		4
Excess debenture proceeds used to offset debt charges	13	6
Transfer from municipality re Ontario Employment Incentive Program		640
Transfer from municipality re Canada/Ontario Employment Development Program	305	
Miscellaneous	266	136
	$ 2,127	$ 2,513

Operating Expenditures

Schedule II

	Salaries Wages & Fringe Benefits	Materials Supplies & Utilities	Other Services	Total 1983	Total 1982
Water supply - own source	$ 6,333	$ 3,684	$ 373	$ 10,390	$ 9,586
Power and pumping	3,768	7,968	159	11,895	11,033
Water transmission and distribution	3,975	343	320	4,638	4,330
Administration	1,221	29	10,345	11,595	10,433
Total operating expenditure	$ 15,297	$ 12,024	$ 11,197	$ 38,518	$ 35,382

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The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone: (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

March 15, 1984

AUDITOR'S REPORT

**To the Board of Governors
of Exhibition Place**

I have examined the balance sheet of the Board of Governors of Exhibition Place as at December 31, 1983 and the statement of operations for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the Board of Governors of Exhibition Place as at December 31, 1983 and the results of its operations for the year then ended in accordance with the generally accepted accounting principles applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

Board of Governors of Exhibition Place
(Incorporated by a Special Act of the Province of Ontario)

Balance Sheet

December 31, 1983
(with comparative figures for 1982)

	1983	1982
Assets		
Cash	$ 414,562	$ 185,278
Term deposits	2,700,000	1,950,000
Accounts receivable		
Trade	1,262,440	1,122,450
Municipality of Metropolitan Toronto	64,730	439,451
Investments at cost held for Prize Guarantee Fund (market value 1982 - $136,734)		150,684
Materials and supplies at lower of cost and replacement cost	169,406	149,421
Prepaid expenses	40,622	16,760
Note receivable		5,400
	$ 4,651,760	$ 4,019,444
Liabilities		
Accounts payable and accrued liabilities		
Trade	$ 2,239,664	$ 1,803,753
Tree replacement (note 2)	34,527	34,527
Deferred revenue	80,489	376,714
	2,354,680	2,214,994
Operating Reserves (note 3)		
Worker's compensation		15,000
Prize guarantee fund		150,000
Inventory of materials and supplies		58,937
Repairs of surface, curbing and drainage of British Columbia Road		14,741
		238,678
Payable to the Municipality of Metropolitan Toronto		
User fees		4,530
Net income for year	2,297,080	1,561,242
	2,297,080	1,565,772
	$ 4,651,760	$ 4,019,444

(see accompanying notes)

Board of Governors of Exhibition Place

Statement of Operations

For the Year Ended December 31, 1983
(with comparative figures for 1982)

	1983	1982
Revenue		
Annual Exhibition	$ 18,180,657	$ 13,644,895
Exhibition Place	7,858,881	6,380,286
Exhibition Stadium	4,802,282	3,992,779
	30,841,820	24,017,960
Expenditure		
Annual Exhibition	16,869,040	12,601,578
Exhibition Place	7,739,017	6,120,083
Exhibition Stadium	3,352,315	3,271,579
	27,960,372	21,993,240
Net Income From Operations	2,881,448	2,024,720
User Fees paid or payable to the Municipality of Metropolitan Toronto	584,368	463,478
Net Income for Year	$ 2,297,080	$ 1,561,242

(see accompanying notes)

Board of Governors of Exhibition Place

Notes to the Financial Statements

For the Year Ended December 31, 1983

1. Accounting Policies

(a) Combined Financial Statements

The Province of Ontario enacted legislation during 1983 providing for the establishment of a Board of Governors to operate Exhibition Place, including Exhibition Stadium, on behalf of the Municipality of Metropolitan Toronto. The Board assumed overall management of Exhibition Place on July 8, 1983 and the operation of Exhibition Stadium became the responsibility of the Board. The Board also entered into an agreement whereby the Canadian National Exhibition Association continued management of Exhibition Place, excluding Exhibition Stadium, to December 31, 1983. These combined financial statements reflect the assets, liabilities and operations of Exhibition Place, including Exhibition Stadium as if the change in control had taken place on January 1, 1983.

The financial statements include statements of each of Exhibition Place, the Canadian National Exhibition and the Stadium operations, as Schedules 1, 2 and 3 respectively, unadjusted for inter-divisional transactions. The statement of operations reflects the combined operations, adjusted for inter-divisional transactions so as to reflect expenditures in the division for which they were expended.

(b) Fixed Assets and Depreciation

Major capital facilities are financed by and are the property of the Municipality of Metropolitan Toronto. Other capital expenditures on plant and equipment are charged by the Board to current operations in the year of purchase, in accord with municipal accounting practices. Accordingly, fixed assets are not valued on the books of Exhibition Place and depreciation is not charged in its accounts.

(c) Net Income for Year

Under the operating agreements between the Board of Governors of Exhibition Place and the Municipality of Metropolitan Toronto, net operating income is payable to the Municipality.

(d) User Fees

A user fee of 25¢ per ticket sold at a price greater than $2.00 is assessed on events produced in Exhibition Stadium. The amounts collected are paid to a reserve fund of the Municipality of Metropolitan Toronto to be used to defray the costs of future capital improvements.

2. Liabilities

The Board received $52,239 from the Province of Ontario in 1975, to be used solely for tree replacement. At December 31, 1983, $34,527 of this amount had not been expended.

3. Operating Reserves

Operating reserves for Worker's Compensation, Prize Guarantee Fund, Inventory of materials and supplies and Repairs to surface, curbing and drainage to British Columbia Road were established in prior years.

The legislation referred to in Note 1 provides that these operating reserves be vested in the Metropolian Corporation and accordingly these reserves and the related assets have been assumed in 1983 by the Municipality. No changes occurred in these reserves in the current year prior to their assumption by the Metropolitan Corporation.

4. Liability for Vested Sick Leave Benefits

Under the Sick Pay Credit Plan for employees of the Board, unused sick leave can accumulate and employees may become entitled to a cash payment on resignation, retirement or death. The contingent liability for these accumulated days, to the extent that they have vested and could be taken in cash by the employee on termination, amounted to approximately $200,000 at December 31, 1983 (1982 - $177,000). It is the policy of the Board to record the cost of such payments in the year in which the liability becomes payable, and accordingly no provision has been made towards such liability in the accounts.

5. Changes in Financial Position

No statement of changes in financial position has been prepared as such a statement does not provide significant additional disclosure. The increase in net assets is the result of the following transactions:

Net income for 1982 and balance of user fees paid to the Municipality of Metropolitan Toronto	$ 1,565,772
Operating reserves assumed by the Municipality of Metropolitan Toronto (note 3)	238,678
	1,804,450
Net income for 1983	2,297,080
Increase in net assets	$ 492,630

6. Sponsorship

Agreements were made with a number of corporate sponsors whereby these sponsors provided cash, products, advertising or entertainment support to the Annual Exhibition activities. In return the Exhibition provided consideration in a number of diverse ways including specific rights to selected operations or attractions, advertising recognition and discounted admission prices.

Only the portion of such revenue received in cash has been recorded in the accounts in an amount, including payment for discounted admissions and other attractions, totalling $1,640,000. Contributions of products and other services have not been reflected in the accounts.

7. Comparative Figures

Certain of the 1982 figures presented here for comparative purposes have been reclassified to conform with the current year's presentation.

Board of Governors of Exhibition Place

Statement of Exhibition Place Operations

For the Year Ended December 31, 1983
(with comparative figures for 1982)

		Schedule I
Revenue		
	1983	1982
Building rentals	$ 2,676,282	$ 1,924,133
Parking	2,844,960	2,404,853
Summer midway and bandshell	262,581	114,369
General services	2,592,896	1,936,931
	8,376,719	6,380,286
Expenditure		
Building rentals	993,484	857,246
Parking	677,244	590,575
General services	4,665,516	3,384,178
Special expenditures	869,349	438,630
Administration	1,076,262	849,454
	8,281,855	6,120,083
Net Income from Operations	$ 94,864	$ 260,203

(see accompanying notes)

Board of Governors of Exhibition Place

Statement of Annual C.N.E. Operations

For the Year Ended December 31, 1983
(with comparative figures for 1982)

Revenue		**Schedule II**
	1983	1982
Ground admission (Net of revenue paid to Ontario Place - (1983 - $409,656; 1982 - $397,078)	**$ 4,032,624**	$ 3,908,014
Concessions including midway	**4,351,015**	3,582,577
Grandstand	**5,663,560**	2,952,086
Exhibit space	**2,166,636**	2,047,768
General services	**128,072**	200,186
Other	**1,838,750**	954,264
	18,180,657	13,644,895
Expenditure		
Ground admission	**875,721**	718,539
Concessions including midway	**171,009**	193,255
Grandstand	**4,974,743**	2,499,657
Exhibit space	**1,176,343**	1,024,761
Agriculture events	**992,651**	934,977
Sports and aquatic events	**564,059**	308,416
General attractions	**1,626,437**	1,324,783
General services	**2,660,679**	2,529,326
Publicity	**830,606**	906,924
Special expenditures	**1,020,541**	516,944
Administration	**1,976,251**	1,643,996
	16,869,040	12,601,578
Net Income From Operations	**$ 1,311,617**	$ 1,043,317

(see accompanying notes)

Board of Governors of Exhibition Place

Statement of Operations of Exhibition Stadium

For the Year Ended December 31, 1983
(with comparative figures for 1982)

Schedule III

Revenue	1983	1982
Stadium rentals	$ 1,900,392	$ 1,723,614
User fees	584,368	463,478
Concessions	1,009,359	611,111
Scoreboard rental	175,919	125,029
Equipment rentals	55,000	47,000
Canada/Ontario Employment Development Grant	195,700	
Sundry	19,510	24,953
Expenses recovered	1,311,177	997,594
	5,251,425	3,992,779
Expenditure		
Administrative salaries and fringe benefits	242,501	234,648
Materials, supplies and utilities	603,440	578,055
Equipment	104,732	175,831
Services rentals and other expenses	2,825,785	2,283,045
	3,776,458	3,271,579
Net Income from Operations	1,474,967	721,200
User Fees Paid or Payable to the Municipality of Metropolitan Toronto	584,368	463,478
Net Income for Year	$ 890,599	$ 257,722

(see accompanying notes)

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

March 2, 1984

AUDITOR'S REPORT

**To the Members of the
Canadian National Exhibition Association**

I have examined the Balance Sheet of the Canadian National Exhibition Association as at December 31, 1983 and the Statement of Operations and Surplus, Annual C.N.E. Operations and Exhibition Place Operations for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Association as at December 31, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

Canadian National Exhibition Association
(Incorporated by a Special Act of The Province of Ontario)

Balance Sheet

December 31, 1983
(with comparative figures for 1982)

	1983	1982
Assets		
Current Fund		
Cash	$ 223,573	$ 144,879
Term Deposits	2,200,000	1,400,000
Accounts receivable		
Trade	817,874	896,600
Municipality of Metropolitan Toronto		439,451
Exhibition Stadium	119,389	121,020
Investments at cost held for Prize Guarantee Fund (market value 1982 - $136,734)		150,684
Materials and supplies at lower of cost and replacement cost	169,406	149,421
Prepaid expenses	40,622	16,760
	3,570,864	3,318,815
Capital Fund		
Plant and equipment		
Balance, beginning of year	3,487,561	3,207,120
Net additions in the year	898,819	280,441
	4,386,380	3,487,561
Lease of grounds at cost	1	1
	4,386,381	3,487,562
	$ 7,957,245	$ 6,806,377

(see accompanying notes)

Canadian National Exhibition Association
(Incorporated by a Special Act of The Province of Ontario)

Balance Sheet

December 31, 1983
(with comparative figures for 1982)

	1983	1982
Liabilities		
Current Fund		
Liabilities		
Accounts payable and accrued liabilities		
Trade	$ 1,949,312	$ 1,365,376
Municipality of Metropolitan Toronto	100,055	
Tree replacement (note 3)	34,527	34,527
Deferred revenue	80,489	376,714
	2,164,383	1,776,617
Operating Reserves and Surplus (note 4)		
Worker's Compensation		15,000
Prize Guarantee Fund		150,000
Inventory of materials and supplies		58,937
Repairs to surface, curbing and drainage of British Columbia Road		14,741
Surplus	1,406,481	1,303,520
	1,406,481	1,542,198
	3,570,864	3,318,815
Capital Fund		
Investment in fixed assets purchased from Current Funds	4,386,381	3,487,562
	$ 7,957,245	$ 6,806,377

(see accompanying notes)

Canadian National Exhibition

Statement of Operations and Surplus

For the Year Ended December 31, 1983
(with comparative figures for 1982)

	1983	1982
Revenue		
Annual Exhibition	$ 18,180,657	$ 13,644,895
Exhibition Place	8,376,719	6,380,286
	26,557,376	20,025,181
Expenditures		
Annual Exhibition	16,869,040	12,601,578
Exhibition Place	8,281,855	6,120,083
	25,150,895	18,721,661
Net Revenue for the Year	1,406,481	1,303,520
Surplus (Deficit), Beginning of Year	1,303,520	(1,826,420)
Received from (paid to) the Municipality of Metropolitan Toronto	(1,303,520)	1,826,420
Surplus, End of Year	$ 1,406,481	$ 1,303,520

(see accompanying notes)

Canadian National Exhibition

Statement of Annual C.N.E. Operations

For the Year Ended December 31, 1983
(with comparative figures for 1982)

	1983	1982
Revenue		
Ground admission (net of revenue paid to Ontario Place 1983 - $409,656; 1983 - $397,078)	$ 4,032,624	$ 3,908,014
Concessions including midway	4,351,015	3,582,577
Grandstand	5,663,560	2,952,086
Exhibit space	2,166,636	2,047,768
General services	128,072	200,186
Other	1,838,750	954,264
	18,180,657	13,644,895
Expenditures		
Ground admission	875,721	718,539
Concessions including midway	171,009	193,255
Grandstand	4,974,743	2,499,657
Exhibit space	1,176,343	1,024,761
Agriculture events	992,651	934,977
Sports and aquatic events	564,059	308,416
General attractions	1,626,437	1,324,783
General services	2,660,679	2,529,326
Publicity	830,606	906,924
Special expenditures	1,020,541	516,944
Administration	1,976,251	1,643,996
	16,869,040	12,601,578
Net Revenue	$ 1,311,617	$ 1,043,317

(see accompanying notes)

Canadian National Exhibition Association

Statement of Exhibition Place Operations

For the Year Ended December 31, 1983
(with comparative figures for 1982)

	1983	1982
Revenue		
Building rentals	$ 2,676,282	$ 1,924,133
Parking	2,844,960	2,404,853
Summer midway and bandshell	262,581	114,369
General Services	2,592,896	1,936,931
	8,376,719	6,380,286
Expenditures		
Building rentals	993,484	857,246
Parking	677,244	590,575
General services department	4,665,516	3,384,178
Special expenditures	869,349	438,630
Administration	1,076,262	849,454
	8,281,855	6,120,083
Net Revenue	$ 94,864	$ 260,203

(see accompanying notes)

Canadian National Exhibition Association

Notes to Financial Statements

For the Year Ended December 31, 1983

1. Operations of Exhibition Place

The Province of Ontario enacted legislation during 1983 providing for the establishment of a Board of Governors to operate Exhibition Place, including Exhibition Stadium, on behalf of the Municipality of Metropolitan Toronto. The Board assumed overall responsibility for Exhibition Place on July 8, 1983 and entered into an agreement whereby the Association continued management of Exhibition Place, with the exception of the stadium, to December 31, 1983. Accordingly, these financial statements reflect the operations of the Annual Exhibition and Exhibition Place for the whole of 1983 as if no change in control had occurred.

As of January 1, 1984 the Board of Governors assumed direct responsibility for operations of Exhibition Place, and operating assets of the Association, reflected in the Balance Sheet at December 31, 1983, were transferred to the Board as required by the legislation.

The Association will no longer participate in the operation of Exhibition Place for the non-Exhibition period. The Agreement between the Board of Governors and the Municipality provides for continued participation of the Association in the production of the Annual Exhibition and an agreement to that effect is being negotiated.

2. Accounting Policies

a) Major capital facilities are financed by and are the property of the Municipality of Metropolitan Toronto. Other capital expenditures on plant and equipment were charged by the Association to current operations in the year of purchase, in accordance with municipal accounting practices. For record purposes these purchases were accounted for in the Capital Fund of the Association. Assets on hand acquired prior to 1954 were valued at depreciated replacement cost as at January 1, 1954.

Assets on hand acquired since that date were valued at cost. Upon disposal the asset value was removed from the Capital Fund and any proceeds taken into current revenue.

b) Under the operating agreements with the Board of Governors of Exhibition Place and the Municipality of Metropolitan Toronto, current surplus is payable to the Municipality.

3. Liabilities - Tree Replacement

The Association received $52,239 from the Province of Ontario in 1975, to be used solely for tree replacement. At December 31, 1983, $34,527 of this amount had not been expended.

4. Operating Reserves

Operating reserves for Worker's Compensation, Prize Guarantee Fund, Inventory of materials and supplies, and repairs to surface, curbing and drainage to British Columbia Road were established by the Association in prior years. The legislation referred to in Note 1 provides that these operating reserves be vested in the Metropolitan Corporation and accordingly these reserves and the related assets have been assumed in 1983 by the Municipality. No changes occurred in these reserves in the current year prior to their assumption by the Metropolitan Corporation.

5. Liability for Vested Sick Leave Benefit

Under the Sick Pay Credit Plan for employees of the Association, unused sick leave can accumulate and employees may become entitled to a cash payment on resignation, retirement or death. The contingent liability for these accumulated days, to the extent that they have vested and could be taken in cash by the employees on termination, amounted to approximately $200,000 at December 31, 1983 (1982 - $177,000). It is the Policy of the Association to record the cost of such payments in the year in which the liability becomes payable and accordingly, no provision has been made towards such a liability in the accounts.

6. Changes in Financial Position

No statement of changes in the financial position has been prepared as such a statement does not provide significant additional disclosure. The decrease in net assets in the Current Fund is the result of the following transactions:

Surplus for 1982 paid to the Municipality of Metropolitan Toronto	$1,303,520
Operating reserves assumed by the Municipality of Metropolitan Toronto (note 4)	238,678
	1,542,198
Net revenue for year	1,406,481
Decrease in net assets in Current Fund	$ 135,717

7. Sponsorship Revenue

The Association entered into agreements with a number of corporate sponsors whereby these sponsors provided cash, products, advertising or entertainment support to the Annual Exhibition activities. In return the Association provided consideration in a number of diverse ways including specific rights to selected operations or attractions, advertising recognition and discounted admission prices.

The Association has recorded in its accounts only the portion of such revenue received in cash in an amount, including payment for discounted admissions and other attractions, totalling $1,640,000. Contributions of products and other services have not been reflected in the accounts.

8. Comparative Figures

Certain of the 1982 figures presented here for comparative purposes have been reclassified to conform with the current year's presentation.

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department
12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

March 15, 1984

AUDITOR'S REPORT

**To the Board of Governors of
Exhibition Place**

I have examined the balance sheet of the Board of Governors of Exhibition Place, Exhibition Stadium as at December 31, 1983 and the statement of operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Exhibition Stadium as at December 31, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

Board of Governors of Exhibition Place
Exhibition Stadium

Balance Sheet

December 31, 1983
(with comparative figures for 1982)

	1983	1982
Assets		
Cash	$ 161,654	$ 40,399
Term deposits	500,000	550,000
Accounts receivable		
Trade	444,565	225,850
Municipality of Metropolitan Toronto	14,343	
Note receivable		5,400
	$ 1,120,562	$ 821,649
Liabilities		
Accounts payable and accrued liabilities		
Trade	$ 139,909	$ 438,377
Canadian National Exhibition Association	90,054	121,020
Municipality of Metropolitan Toronto		
User fee charges		4,530
Net income from operations	890,599	257,722
	$ 1,120,562	$ 821,649

On behalf of the Board of Governors

(see accompanying notes)

Board of Governors of Exhibition Place
Exhibition Stadium

Statement of Operations

For the Year Ended December 31, 1983
(with comparative figures for 1982)

	1983	1982
Revenue		
Stadium rentals	$ 1,900,392	$ 1,723,614
User fees	584,368	463,478
Concessions	1,009,359	611,111
Scoreboard rental	175,919	125,029
Equipment rentals	55,000	47,000
Canada Ontario Employment Development Grant	195,700	
Sundry	19,510	24,953
Expenses recovered	1,311,177	997,594
	5,251,425	3,992,779
Expenditure		
Administrative salaries and fringe benefits	242,501	234,648
Materials, supplies and utilities	603,440	578,055
Equipment	104,732	175,831
Services rentals and other expenses	2,825,785	2,283,045
	3,776,458	3,271,579
Net Income from Operations	1,474,967	721,200
User fees payable to the Municipality of the Metropolitan Toronto (note 2 (c))	584,368	463,478
Net Income for Year	$ 890,599	$ 257,722

(see accompanying notes)

Board of Governors of Exhibition Place
Exhibition Stadium

Notes to Financial Statements

For the Year Ended December 31, 1983

1. Operations of Exhibition Stadium

The Province of Ontario enacted legislation during 1983 providing for the establishment of a Board of Governors to operate Exhibition Place, including Exhibition Stadium, on behalf of the Municipality of Metropolitan Toronto.

The management of Exhibition Stadium was, by agreement with the Municipality, the responsibility of Exhibition Stadium Corporation. When the management agreement between the Board and the Municipality came into effect on July 8, 1983, operation of Exhibition Stadium became the responsibility of the Board. These financial statements reflect the assets and operations of Exhibition Stadium, managed by the Corporation to July 8, 1983, and by the Board subsequent to that date, on behalf of the Municipality.

2. Accounting Policies

(a) Major capital facilities are financed by and are the property of the Municipality of Metropoliten Toronto. Other capital expenditures on plant and equipment are charged by the Board to current operations in the year of purchase, in accord with municipal accounting practices. Accordingly, fixed assets are not valued on the books of the Stadium and depreciation is not charged in its accounts.

(b) Under the operating agreements with the Board of Governors of Exhibition Place and the Municipality of Metropolitan Toronto, current surplus is payable to the Municipality.

(c) A user fee charge of 25¢ per ticket sold at a price greater than $2.00 is assessed to tenants. These amounts collected are paid to a reserve fund of the Municipality of Metropolitan Toronto to be used to defray the costs of future capital improvements.

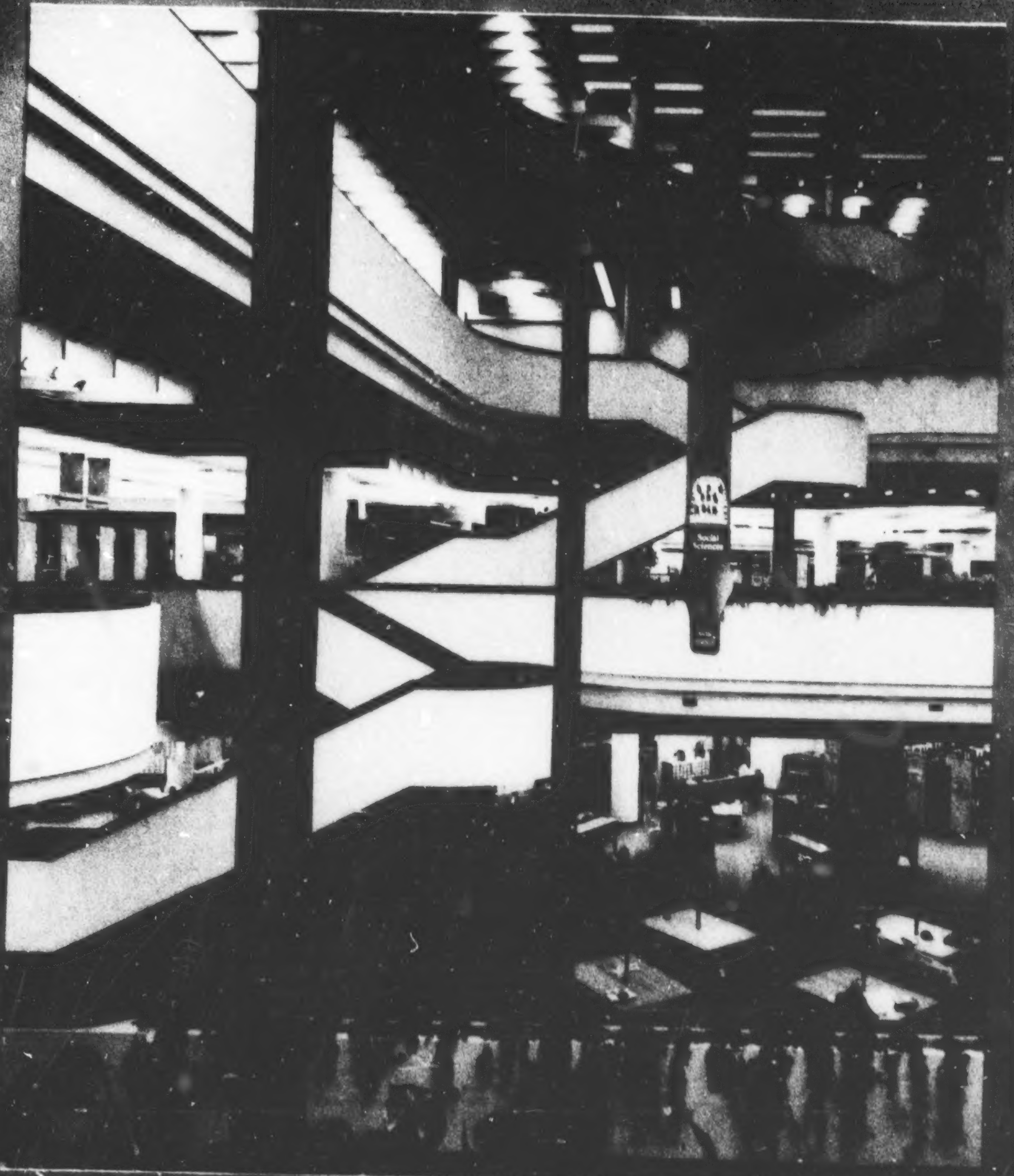
3. Changes in Financial Position

No statement of changes in financial position has been prepared as such a statement does not give significant additional disclosure. Funds generated were equal to the surplus for the year and were applied as follows:

	1983	1982
Increase in net assets	$ 632,877	$ 251,577
Net income paid to Municipality of Metropolitan Toronto	257,722	6,145
	$ 890,599	$ 257,722

4. Comparative Figures

Certain of the 1982 figures, presented here for comparative purposes, have been reclassified to conform with the current year's presentation.


Social Sciences

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone: (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

May 18, 1984

AUDITOR'S REPORT

To the Members
Metropolitan Toronto Library Board

I have examined the balance sheet of the Metropolitan Toronto Library Board as at December 31, 1983 and the statements of revenue and expenditure and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted for Ontario municipalities applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

Metropolitan Toronto Library Board

Balance Sheet

December 31, 1983
(with comparative figues for 1982)

	1983	1982
Assets		
Current Assets		
Cash	$ 1,048,741	$ 615,295
Accounts receivable	35,895	109,653
Prepaid expenses	253,515	194,093
	1,338,151	919,041
Capital Outlay to be Recovered in Future Years (note 3)	20,424,356	22,032,381
	$ 21,762,507	$ 22,951,422
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities		
Municipality of Metropolitan Toronto	$ 246,320	$ 249,378
Other	1,149,027	666,624
Deferred revenue	30,468	3,039
	1,425,815	919,041
Net Long Term Liabilities Financed by the Municipality (note 3)	20,424,356	22,032,381
Fund Balances at the End of the Year		
Capital operations not yet permanently financed (note 4)	(87,664)	
	$ 21,762,507	$ 22,951,422

(see accompanaying notes)

Metropolitan Toronto Library Board

Statement of Revenue and Expenditure

For the Year Ended December 31, 1983
(with comparative figures for 1982)

	1983	1982
Expenditure		
Salaries and benefits	$ 10,226,398	$ 9,275,419
Library materials	1,879,846	1,719,000
Supplies, utilities and equipment	948,803	858,932
Services and rents	2,082,759	2,023,446
Total operating costs	15,137,806	13,876,797
Debt charges (note 1(c))	3,941,134	3,850,504
Total operating expenditure	19,078,940	17,727,301
Provincial special projects	3,807	42,499
	19,082,747	17,769,800
Revenue		
Province of Ontario grants	1,381,052	1,510,734
Charges to Regional Library Systems	43,920	54,488
Charges to Area Library Boards	49,921	29,910
Other income	483,176	622,368
	1,958,069	2,217,500
Net Operating Cost	$ 17,124,678	$ 15,552,300
Funded By		
Contributions by Municipality of Metropolitan Toronto:		
General appropriation (note 2)	$ 17,124,678	$ 15,527,300
Canada/Ontario Employment Development Program		25,000
	$ 17,124,678	$ 15,552,300

(see accompanying notes)

Metropolitan Toronto Library Board

Statement of Changes in Financial Position

For the Year Ended December 31, 1983
(with comparative figures for 1982)

	1983	1982
Source of Cash		
Contribution by the Municipality of Metropolitan Toronto	$ 17,124,678	$ 15,552,300
Increase (decrease) in accounts payable		
other	482,403	(387,377)
Decrease in accounts receivable		
Municipality of Metropolitan Toronto		1,010,988
Other	73,758	10,763
Increase (decrease) in deferred revenue	27,429	(41,507)
	17,708,268	16,145,167
Application of Cash		
Net operating costs	17,124,678	15,552,300
Increase in prepaid expenses	59,422	29,961
Decrease (increase) in accounts payable		
Municipality of Metropolitan Toronto	3,058	(249,378)
Capital operations not yet permanently financed	87,664	
	17,274,822	15,332,883
Net Increase in Cash	433,446	812,284
Cash (Bank Indebtedness), Beginning of Year	615,295	(196,989)
Cash End of Year	$ 1,048,741	$ 615,295

(see accompanying notes)

Metropolitan Toronto Library Board

Notes to Financial Statements

December 31, 1983

1. Accounting Policies

(a) Fixed Assets

The Board has adopted the basis used by municipalities in Ontario in its accounting for fixed assets. Under this basis, historical cost is not used for reporting purposes and depreciation related to that cost is not recorded in the accounts. Instead, fixed assets are valued at the aggregate of the principal portion of unmatured long term debt reported on the Balance Sheet as "Capital outlay to be recovered in future years".

(b) Library Collections and Supplies

Library collections and supplies are charged to expense in the year of purchase.

(c) Charges for Net Long Term Liabilities

Debt servicing costs, including principal and interest, are charged against current revenues in the periods in which they are paid, in accordance with municipal accounting practice. Interest charges are not accrued for the periods from the dates of the latest interest payments to the end of the fiscal year.

(d) Liabilities Payable in Foreign Currencies

Long term debt payable in foreign currencies is translated into Canadian funds at the exchange rate prevailing at the time the debt was incurred by the Municipality of Metropolitan Toronto.

2. Contribution from the Municipality of Metropolitan Toronto

The Library Board is entitled under The Municipality of Metropolitan Toronto Act to requisition funds from the Metropolitan Corporation as required up to the amount approved in the Board's estimates by Metropolitan Council.

By agreement between the Metropolitan Treasurer and the Board, funds are contributed by the Metropolitan Corporation equal to the lesser of net operating costs or the approved budget.

3. Net Long Term Liabilities Financed by the Municipality

The Municipality of Metropolitan Toronto issues debentures for library capital purposes, as required. Capital outlay from the proceeds of these debentures and the related liability are carried in the accounts of the Board as set out in note 1 (a).

	1983	1982
Outstanding instalment and sinking fund debentures	$ 26,428,952	$ 26,813,756
Value of sinking funds	6,004,596	4,781,375
Net long term liabilities	$ 20,424,356	$ 22,032,381

Principal payments of net long term liabilities in five-year intervals are as follows:

1984 to 1988	$5,352,625
1989 to 1993	$6,085,625
1994 to 1997	$2,823,202

Included in net long term liabilities is an amount of $22,268,952 (1982 - $22,397,740) payable in U.S. dollars which was translated into Canadian dollars at the rate of exchange prevailing when the liability was incurred. If the liability is translated into Canadian dollars at the exchange rate prevailing at December 31, 1983, the liability would be increased by $5,399,500 (1982 - $3,786,962).

4. Capital Operations Not Yet Permanently Financed

Approval of the Ontario Municipal Board has been obtained for the pending issue of long term liabilities.

5. Contractual Obligations

The Board is committed to pay approximately $85,000 annually for rental of real property under a lease expiring in 1988.

6. Pension Plans

The Metropolitan Toronto Library Board has pension plans covering all permanent employees. The cost of funding current service pension benefits is charged to operations as incurred. Unfunded liabilities, as determined by actuarial valuation, are funded by annual payments which are charged to operations over the period recommended by the actuary and in accordance with regulatory requirements. As at December 31, 1983, the unfunded liability of the Board's pension plans amounted to $284,000 (1982 - $331,000) based on the latest actuarial valuation and is being funded by annual payments over various periods ending 1991.

7. Liability for Vested Sick Leave Benefits

Under the Sick Pay Credit Plan for employees of the Board, unused sick leave credits accumulate, and employees with specified minimum service requirements become entitled to a cash payment on resignation, retirement or death. It is the policy of the Board to meet the costs of such payments from the revenue of the year in which the liability becomes payable. No liability has been recorded in respect of unused sick leave credits as at December 31, 1983, but the estimated liability for such accumulated credits, to the extent that they could be taken in cash by employees on termination of service, amounted to $607,480 (1982 - $527,694).

8. Comparative Figures

Certain of the 1982 figures presented here for comparative purposes have been reclassified to conform with the current year's presentation.

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

March 14, 1984

AUDITOR'S REPORT

**To the Members of the
Board of Management of the
O'Keefe Centre**

I have examined the balance sheet as at December 31, 1983 of the Board of Management of the O'Keefe Centre and the statements of operations and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

As disclosed in Note 6, the Centre has not recorded as revenue a surplus arising from the wind-up of the O'Keefe Pension Plan. In my opinion, generally accepted accounting principles require that this revenue be recorded. The effect on the financial statements of not recording this item is that income for 1982 and 1983 is understated by $219,973 and $20,200, respectively. Furthermore, had this revenue been recognized, the surplus payable to the Municipality of Metropolitan Toronto would have been increased by $240,173.

In my opinion, except for the effects of the Board's decision not to record the asset and revenue referred to in the preceding paragraph, these financial statements present fairly the financial position of the Board as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

The Board of Management of the O'Keefe Centre

Balance Sheet

December 31, 1983
(with comparative figures for 1982)

	1983	1982
Assets		
Cash	$ 30,404	$ 37,808
Advance to the Municipality of Metropolitan Toronto, including interest receivable of $68,300 (1982 - $139,777)	1,468,300	1,439,777
Accounts receivable		
Municipality of Metropolitan Toronto	818,791	954,177
Others	90,143	141.498
Inventory, at replacement cost	37,809	36,720
Prepaid expenses	17,814	17,550
	$ 2,463,261	$ 2,627,530
Liabilities		
Accounts payable		
Municipality of Metropolitan Toronto	$ 1,394,692	$ 1,075,955
Others	1,123,069	722,828
Deferred revenue (note 5)	315,921	426,667
Unexpended grants	3,090	25,564
Net (loss) income from operations, (receivable) payable to the Municipality of Metropolitan Toronto (note 1)	(373,511)	376,516
	$ 2,463,261	$ 2,627,530

(see accompanying notes)

The Board of Management of the O'Keefe Centre

Statement of Operations

For the Year Ended December 31, 1983
(with comparative figures for 1982)

	1983	1982
Revenue		
Performance (Schedule I)	$ 620,395	$ 959,900
Rental (Schedule II)	1,511,709	1,429,843
Catering (Schedule III)	136,340	85,450
Interest and other revenue	488,379	582,517
Operating income, before indirect expenses	2,756,823	3,057,710
Indirect Expenses		
Administration	433,567	428,253
Box office and promotion	510,149	540,535
House operations and maintenance	1,116,870	1,036,734
	2,060,586	2,005,522
Net Income, Before Items Below	696,237	1,052,188
User fee revenue (note 3)	287,107	346,130
Special maintenance costs (note 4)	(69,096)	(225,411)
Major renovation costs (note 3)	(1,287,759)	(796,391)
Net (Loss) Income from Operations	$ (373,511)	$ 376,516

(see accompanying notes)

The Board of Management of the O'Keefe Centre

Statement of Changes in Financial Position

For the Year Ended December 31, 1983
(with comparative figures for 1982)

	1983	1982
Source of Cash		
Increase in:		
Accounts Payable	$ 718,978	$ 350,695
Decrease in:		
Accounts receivable	186,741	
	905,719	350,695
Use of Cash		
Net loss (income) from operations	373,511	(376,516)
Increase (decrease) in:		
Advance to Municipality of Metropolitan Toronto	28,523	(482,530)
Accounts receivable		360,779
Inventory	1,089	15,928
Prepaid expense	264	4,079
Decrease (increase) in:		
Deferred revenue	110,746	443,779
Bank indebtedness		109,237
Unexpended grants	22,474	(25,564)
Payment of prior year's income to the Municipality of Metropolitan Toronto	376,516	266,395
	913,123	315,587
Increase (decrease) in cash during year	(7,404)	35,108
Cash, beginning of year	37,808	2,700
Cash, end of year	$ 30,404	$ 37,808

(see accompanying notes)

The Board of Management of the O'Keefe Centre

Notes to the Financial Statements

December 31, 1983

1. Incorporation and Operation

The Board of Management of the O'Keefe Centre was established as a Corporation by the enactment of the now section 212(2) of The Municipality of Metropolitan Toronto Act. In accordance with the Act, the Metropolitan Council:

i) appoints the members of the Board

ii) is responsible for any deficit and is entitled to any surplus from operations.

The Board of Management operates and manages the O'Keefe Centre as a theatre under the terms of an agreement between the Board and the Municipality of Metropolitan Toronto executed on September 25, 1968.

2. Significant Accounting Policies

Significant accounting policies followed by the O'Keefe Centre are described below:

a) Fixed Assets - The land, buildings and all equipment, furnishings, etc., are owned by The Municipality of Metropolitan Toronto and are not recorded on the books of the O'Keefe Centre. Accordingly, all expenditures made by the O'Keefe on such facilities are charged to operations in the year expended and no depreciation of fixed assets is recorded.

b) Inventory - Bar and restaurant inventory is recorded at replacement cost.

3. Major Renovation Costs

Commencing in 1979, the O'Keefe Centre undertook a major renovation program and in 1980 established a 50¢ per ticket surcharge for all patrons of the Centre which is remitted to a separate reserve fund in the accounts of the Metropolitan Corporation and which is used to partially fund the cost of theatre renovations. The first phase of the theatre rehabilitation program is expected to last through 1986. 1981, 1982 and 1983 renovation costs are funded 25% by the Capital Improvement and Rehabilitation Reserve Fund - O'Keefe Centre and 75% by Metropolitan Toronto.

The major renovation costs for 1983 and the total to date are as follows:

	1983	Total 1979 to date
Administration offices	$	$ 88,545
Air conditioning	94,438	207,492
Auditorium		616,841
Consulting fees	116,212	247,481
Furniture and equipment	99,014	328,824
Lobby	522,908	522,908
Lower lounge		225,369
(continued)		
(brought forward)		
Masonry rehabilitation		124,782
Painting and other repairs	39,025	232,882
Roof replacement		213,356
Sprinkler system		84,678
Sprung floor in rehearsal hall		11,000
Stage lighting improvements	395,358	455,364
Sound system for hearing impaired	20,804	20,804
Total	$ 1,287,759	$ 3,380,326

4. Special Maintenance Costs

Under the Canada/Ontario Employment Development Programme, the O'Keefe Centre undertook various labour intensive maintenance projects, with a total cost of $69,096 which amount is recorded in the accounts of the Centre. Funding for this expenditure was provided through the Metropolitan Corporation, with $55,277 of the cost being met by a subsidy from the Province of Ontario and the balance of $13,819 being provided by the Municipality.

5. Deferred Revenue

Deferred revenue includes tickets sold prior to the year end for performances after the year end, less costs incurred to year end. Also included in this amount are unredeemed gift certificates, bar tickets and rental deposits.

6. Pension Plan

On January 29, 1981, the Board of Management of the O'Keefe Centre approved the wind-up of the O'Keefe Pension Plan. In 1982, Confederation Life, the custodian, obtained the necessary approvals to wind up the plan and return the surplus to the O'Keefe. At December 31, 1983, the surplus on deposit with the custodian amounted to $240,173 (1982 - $219,973) and is payable to the Board at its discretion. This amount has not been recorded in the accounts of the O'Keefe Centre and is not reflected in these financial statements.

7. Comparative Figures

Certain of the 1982 figures presented here for comparative purposes have been reclassified to conform with the current year's presentation.

The Board of Management of the O'Keefe Centre

Schedule of Performance Revenue

For the Year Ended December 31, 1983
(with comparative figures for 1982)

Performance Revenue		**Schedule I**
	1983	1982
Gross ticket sales	$ 5,346,423	$ 6,025,280
Less:		
Metro ticket surcharge	116,576	140,207
Credit card discounts	74,812	84,244
	191,388	224,451
Net ticket sales	5,155,035	5,800,829
Less producers' share of revenue	3,290,690	3,548,163
	1,864,345	2,252,666
Direct Expenses		
Stagehands and ushers wages	437,465	544,989
Advertising	394,283	470,403
Musicians	392,292	317,762
Other	54,258	32,570
	1,278,298	1,365,724
Less recoveries from producers	34,348	72,958
	1,243,950	1,292,766
Net Performance Revenue	$ 620,395	$ 959,900

(see accompanying notes)

The Board of Management of the O'Keefe Centre

Schedule of Rental Revenue

For the Year Ended December 31, 1983
(with comparative figures for 1982)

Rental Revenue		**Schedule II**
	1983	1982
Canadian Opera Company	**$ 614,250**	$ 585,000
National Ballet	**461,150**	455,600
Other rentals	**511,800**	412,300
	1,587,200	1,452,900
Direct Expenses		
Stagehands and ushers wages	**1,473,827**	1,352,628
General expenses	**44,627**	10,435
	1,518,454	1,363,063
Less recoveries from producers	**1,442,963**	1,340,006
	75,491	23,057
Net Rental Revenue	**$ 1,511,709**	**$ 1,429,843**

Schedule of Catering Revenue

For the Year Ended December 31, 1983
(with comparative figures for 1982)

Revenue		**Schedule III**
	1983	1982
Sales	**$ 978,332**	$ 479,829
Cost of Sales	**328,449**	166,107
Gross profit	**649,883**	313,722
Direct Expenses		
Salaries and wages	**413,689**	181,265
Supplies	**34,526**	29,962
Equipment replacement and repairs	**30,858**	39,871
Advertising and promotion	**22,950**	2,674
Miscellaneous	**11,520**	3,542
	513,543	257,314
	136,340	56,408
Catering commissions		29,042
Net Catering Revenue	**$ 136,340**	**$ 85,450**

(see accompanying notes)

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

April 4, 1984

AUDITOR'S REPORT

**To the Chairman and Members of the
Board of Management of the
Metropolitan Toronto Zoo**

I have examined the balance sheet of the Board of Management of the Metropolitan Toronto Zoo as at December 31, 1983 and the statement of operations for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at December 31, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

The Board of Management of the Metropolitan Toronto Zoo

Balance Sheet

December 31, 1983
(with comparative figures for 1982)

	1983	1982
Assets		
Cash	$ 183,909	$ 178,597
Accounts receivable		
Municipality of Metropolitan Toronto	787,703	700,397
Metropolitan Toronto Zoological Society	20,023	33,726
Other	71,029	108,410
Prepaid expenses	10,678	12,282
	$ 1,073,342	$ 1,033,412
Liabilities		
Accounts payable and accrued liabilities		
	$ 859,991	$ 682,876
Deferred revenue	3,117	20,553
Animal Revenue Fund (Schedule I)	207,090	197,780
Contribution from the Metropolitan Toronto Zoological Society for future purchases (note 3)	3,144	132,203
	$ 1,073,342	$ 1,033,412

On Behalf of the Board:

Director

Director

(see accompanying notes)

The Board of Management of the Metropolitan Toronto Zoo

Statement of Operations

For the Year Ended December 31, 1983
(with comparative figures for 1982)

	1983	1982
Operating Cost		
alaries, wages and fringe benefits	$ 6,585,884	$ 6,156,701
nimal and plant care supplies	565,208	518,890
aintenance, supplies and utilities	1,633,291	1,663,453
dvertising and promotion	264,026	245,008
quipment	255,803	324,438
ffice supplies, rentals and services	150,222	161,742
Other	74,061	57,710
	9,528,495	9,127,942
Operating Revenue		
Admissions	2,238,704	2,261,856
Parking	358,714	210,373
Domain and Surface rides	412,958	435,098
Concessions	124,902	115,395
Other	436,505	401,823
	3,571,783	3,424,545
Net Operating Cost	$ 5,956,712	$ 5,703,397
Funded By:		
Contributions by the Municipality of Metropolitan Toronto		
General appropriation	$ 5,941,236	$ 5,682,300
Special maintenance costs (note 4)	15,476	21,097
	$ 5,956,712	$ 5,703,397

(see accompanying notes)

The Board of Management of the Metropolitan Toronto Zoo

Notes to Financial Statements

For the Year Ended December 31, 1983

1. Incorporation and Operation

The Board of Management of the Metropolitan Toronto Zoo was established as a Corporation by the enactment of Section 213(2) of the Municipality of Metropolitan Toronto Act. In accordance with the act, the Metropolitan Council:

a) appoints the members of the Board from time to time;

b) is responsible for any deficit and is entitled to any net income from operations.

The Board of Management operates and manages the Metropolitan Toronto Zoo as a zoo under the terms of an agreement between the Board and the Municipality of Metropolitan Toronto executed on April 12, 1978.

2. Accounting Policies

a) Major capital facilities are financed by and are the property of the Municipality of Metropolitan Toronto. Other capital expenditures on plant and equipment are charged by the Board to current operations in the year of purchase, in accordance with principles prescribed for Ontario Municipalities.

b) The live collection of the zoo is the property of the Municipality of Metropolitan Toronto and accordingly is not carried in the accounts of the Board. The Board actively trades and sells specimens surplus to its needs, recording animal trades at market value. Net revenues generated from this activity are deferred and held for future purchases of animals (see Schedule I).

c) Inventories of food, drugs, materials and supplies are not recorded in the accounts and are charged to current operations in the year of purchase.

3. Contributions from the Metropolitan Toronto Zoological Society

The Metropolitan Toronto Zoological Society made contributions in 1983 totalling $75,661 to the Board for specific purposes. This contribution, together with the unexpended portion of prior years' contributions, was used by the Board to finance the Littlefoot Land Phase II expansion, to purchase a fourth Zoomobile and to build a parrot aviary. The balance of $3,144 will be expended in 1984.

4. Special Maintenance Costs

Under the Canada/Ontario Employment Development Programme, the Board undertook various labour intensive maintenance projects with a total cost of $15,476, which amount is recorded in the accounts of the Board. Funding for this expenditure was provided through the Metropolitan Corporation, who received a subsidy from the Province of Ontario and the Government of Canada of $15,476.

5. Liability for Vested Sick Leave Benefits

Under the Sick Pay Credit Plan for employees of the Board, unused sick leave credits can accumulate and employees may become entitled to a cash payment on resignation, retirement or death. The contingent liability for these accumulated days, to the extent that they have vested and could be taken in cash by the employee on termination, amounted to approximately $568,000 at December 31, 1983 (1982 - $494,000). It is the policy of the Board to record the cost of such payments in the year in which the liability becomes payable and accordingly no provision has been made towards such liability in the accounts.

6. Contingent Liability

In 1982, the Board was assessed an additional $28,174 by the Workers' Compensation Board relating to deficit experience up to and including the 1980 fiscal year. This assessment was appealed during 1983 but the appeal was disallowed. As a consequence, the Board may be assessed further amounts relating to deficit experience to date. Since the existence or amount of any liability cannot be precisely determined, no related provision has been made in the accounts.

7. Changes in Financial Position

No statement of changes in financial position has been prepared as such a statement does not provide significant additional disclosure.

8. Comparative Figures

Certain of the 1982 figures presented here for comparative purposes have been reclassified to conform with the current year's presentation.

The Board of Management of the Metropolitan Toronto Zoo

Schedule of Animal Revenue Fund Operations

For the Year Ended December 31, 1983
(with comparative figures for 1982)

Schedule I

	1983	1982
Balance, beginning of year	$ 197,780	$ 110,703
Operating Revenue		
Sale of animals	45,422	66,063
Exchange of animals	54,405	13,472
Insurance recovery		45,722
Bad debt recovery	80	1,650
Gain on foreign exchange	1,458	3,427
Interest	9,370	7,498
Other		462
	110,735	138,294
Operating Costs		
Purchase of animals	54,139	18,006
Exchange of animals	43,665	29,900
Other	3,621	3,311
	101,425	51,217
Net Operating Revenue	9,310	87,077
Balance, end of year	$ 207,090	$ 197,780

(see accompanying notes)

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone: (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

May 8, 1984

AUDITOR'S REPORT

To the Shareholder
The Metropolitan Toronto Housing Company Limited

I have examined the balance sheet of The Metropolitan Toronto Housing Company Limited as at December 31, 1983 and the statements of revenue, expenditure and deficit and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted for Ontario municipalities applied on a basis consistent with that of the preceding year.

CHARTERED ACCOUNTANT

The Metropolitan Toronto Housing Company Limited

Balance Sheet

December 31, 1983

(in thousands)

	1983	1982
Assets		
Current Assets		
Cash (note 3)	$ 3,801	$ 3,918
Accounts receivable (note 4)	23,062	20,879
Inventory	35	16
Prepaid expenses	1	35
	26,899	24,848
Housing Projects (note 5)	318,636	275,501
Organizational Expenses	1	1
	$ 345,536	$ 300,350
Liabilities and Shareholder's Equity		
Current Liabilities		
Accounts payable (note 6)	$ 26,468	$ 24,815
Rents received in advance	151	162
Special funds (note 3)	363	234
	26,982	25,211
Project Financing (note 7)	318,610	275,345
Shareholder's Equity (note 2)		
Capital Stock		
Authorized - 10,000 common shares of $1 par value		
Issued - 701 shares	1	1
Deficit	(57)	(207)
	(56)	(206)
	$ 345,536	$ 300,350

On behalf of the Board:

Director

Director

(see accompanying notes)

The Metropolitan Toronto Housing Company Limited

Statement of Revenue, Expenditure and Deficit

For the Year Ended December 31, 1983

(in thousands)	1983	1982
Revenue		
Rents		
Residential	$ 33,537	$ 28,228
Commercial	624	604
Tenants' board	403	356
Provincial rental reduction grants	223	225
Federal interest reduction grants	1,850	937
Other	409	595
	37,046	30,945
Expenditure		
Municipal taxes	9,563	8,673
Insurance	65	64
Operating expenses	16,339	14,231
Maintenance	6,195	4,367
Administrative and other	2,964	2,639
Mortgage and loan interest	24,679	22,259
Depreciation	836	669
	60,641	52,902
Net Loss Before Subsidies	(23,595)	(21,957)
Operating Subsidies		
Canada Mortgage and Housing Corporation	11,681	10,815
Province of Ontario	11,867	10,889
Municipality of Metropolitan Toronto	197	206
Net Profit (Loss) for Year	150	(47)
Deficit at the Beginning of Year	(207)	(160)
Deficit at the End of Year	$ (57)	$ (207)

(see accompanying notes)

The Metropolitan Toronto Housing Company Limited

Statement of Changes in Financial Position

For the Year Ended December 31, 1983

(in thousands)

	1983	1982
Source of Funds		
Net profit (loss) for year	$ 150	$ (47)
Add: Depreciation, a non-cash expense	836	669
	986	622
Increase in project financing	43,281	32,971
	44,267	33,593
Application of Funds		
Expenditures on housing projects	43,987	32,252
Increase in Working Capital	280	1,341
Working Capital Deficiency at Beginning of the Year	(363)	(1,704)
Working Capital Deficiency at End of Year	$ (83)	$ (363)

(see accompanying notes)

The Metropolitan Toronto Housing Company Limited

Notes to Financial Statements

For the Year Ended December 31, 1983

1. Accounting Policies

a) Housing Projects

Housing projects are valued at cost, less capital contributions from government and other sources and accumulated depreciation. Costs include the original cost of acquisition of land and buildings and other related costs, the cost of improvements necessary to renovate and rehabilitate buildings, where applicable, and net operating expenses of each project up to the completion date for mortgage adjustment purposes.

Government sources provide project financing or guarantee financing from private lenders. In order to comply with municipal accounting policy, depreciation on housing projects is recorded in amounts equal to capital financing principal repayments due in the following year.

With minor exceptions, the financing agreements between the Company and the Municipality of Metropolitan Toronto provide that the title to the land, buildings and equipment of each project will be transferred to the Metropolitan Corporation for the sum of $1.00 at the time the Canada Mortgage and Housing or other mortgage financing for the project is repaid.

(b) Inventory

Inventory is valued at cost on a first in, first out basis.

2. Company's Status

The Company is a non-profit organization incorporated under the laws of Ontario and is wholly owned by the Municipality of Metropolitan Toronto.

3. Special Funds

Special funds are amounts held for special purposes and not available for ordinary operating expenditures of the Company. Expenditures of such funds are charged against the applicable fund balance.

The balance of the special funds are as follows:

(in thousands)	1983	1982
Equipment replacement fund	$ 338	$ 208
Consolidated tenants' benefit fund	$ 25	$ 26
	$ 363	$ 234

The equipment replacement fund is provided by periodic charges against operations in accordance with the terms of the operating agreements with Canada Mortgage and Housing Corporation and the Province of Ontario's Ministry of Municipal Affairs and Housing for those projects operated under Sections 15.1 and 44 (1) of the National Housing Act.

The consolidated tenants' benefit fund is used to segregate certain receipts of the Company which are retained for use for the benefit of tenants.

Separate bank accounts, included with other cash on the balance sheet, are maintained for the special funds.

4. Accounts Receivable

This consists of:

(in thousands)	1983	1982
Municipality of Metropolitan Toronto	$ 257	$ 287
Province of Ontario	10,658	9,706
Canada Mortgage and Housing Corporation	11,467	10,221
Other	680	665
	$23,062	$20,879

5. Housing Projects

This consists of:

(in thousands)	January 1	Additions during the year	Dec. 31
Land	$ 37,222	$ 5,058	$ 42,280
Buildings	242,202	38,207	280,409
Equipment	5,364	882	6,246
	284,788	44,147	328,935
Net operating expense prior to completion date (Schedule 1)	4,863	(160)	4,703
	289,651	43,987	333,638
Less:			
Grants from Federal Government	3,647	16	3,663
Grants from Province of Ontario	5,370		5,370
Grants from Atkinson Charitable Foundation	74		74
	9,091	16	9,107
	280,560	43,971	324,531
Less:			
Accumulated depreciation	5,059	836	5,895
	$ 275,501	$ 43,135	$ 318,636

6. Accounts Payable

This consists of:

(in thousands)	1983	1982
Municipality of Metropolitan Toronto	$ 3,786	$ 3,945
Province of Ontario	199	171
Canada Mortgage and Housing Corporation	17,499	17,405
Other	4,984	3,294
	$ 26,468	$ 24,815

7. Project Financing

This consists of:

(in thousands)	January 1	Additions (repayments) during the year	Dec. 31
Loans payable to Municipality of Metropolitan Toronto			
Temporary	$ 24,477	$ (6,013)	$ 18,464
Long term	23,775	895	24,670
Mortgage Loans payable to			
Canada Mortgage and Housing Corporation	197,950	419	198,369
Others	23,831	49,548	73,379
Payable to contractors and others	5,312	(1,584)	3,728
	$ 275,345	$ 43,265	$ 318,610

Principal payments are due as follows:

	Municipality of Metropolitan Toronto	Canada Mortgage & Housing Corporation	Other	Total
1984	$ 55	$ 586	$ 38	$ 679
1985	59	644	114	817
1986	65	691	129	885
1987	70	742	146	958
1988	77	796	166	1,039
1989 to 2032	24,399	195,496	72,824	292,719
	24,725	198,955	73,417	297,097
Less Current Portion	55	586	38	679
	$ 24,670	$ 198,369	$ 73,379	$ 296,418
Range of Interest Rates (%)	3.5 - 16	3.5 - 11	10.7 - 17	
Average Interest Rates (%)	9	9	14	

Permanent long-term financing is arranged for each housing project at the commencement of construction. Temporary loans and amounts payable to contractors and others are classified as project financing and excluded from current liabilities since these obligations will be repaid from funds advanced under the agreements for permanent financing.

The portion of long-term loans and mortgages due and payable within one year is included in current liabilities.

8. Operating Subsidies

Under the terms of agreements with Canada Mortgage and Housing Corporation and the Province of Ontario, the Company receives subsidies to recover its operating losses on all except three non-profit housing projects. In determining operating losses eligible for subsidy under these agreements, the costs of services which are not specifically related to the provision of housing are excluded. Losses in 1983 on the provision of food and cafeteria services in three projects are recoverable from the Metropolitan Corporation. The operating profits from a commercial mall on one project and the recovery of prior year's losses on the non-profit projects mentioned above resulted in net profit of $150,000 for the year.

9. Contractual Obligations

The Company is obligated under the terms of the leases to pay annual rentals of $340,678 to 1986, $25,006 to 1991 and $24,506 to 2024.

As at December 31, 1983, the Company was contractually committed to make expenditures of $11,329,000 for capital assets not yet acquired and not included in the financial statements.

The Company finances its housing projects with a combination of mortgage loans from or guaranteed by Canada Mortgage and Housing Corporation and loans from its shareholder, the Metropolitan Corporation.

10. Vested Sick Leave Benefits

Under the sick leave benefit plan of the Municipality, unused sick leave can accumulate, and employees, including employees of the Housing Company, may become entitled to a cash payment when they leave the Municipality's employment.

In 1982, the Municipality of Metropolitan Toronto established a Corporate Sick Pay Reserve Fund in its own accounts to cover payouts to employees, including those of the Housing Company, such that contributions to the fund are sufficient to offset expected payouts over a given period of time.

For the purpose of establishing the level of this fund, projections are required to be made over a forecast period of ten years, such projection process being repeated every two years. It is anticipated that this process will stabilize the financial impact on the Housing Company in respect of future payment of vested sick leave benefits. Based on the latest projections, the contributions of the Housing Company to the Corporate Sick Pay Reserve Fund are anticipated to amount to $175,000 for the years 1984 - 1986, $277,000 for the years 1987 - 1989, and $361,000 for the years 1990 to 1992. Such contributions will discharge any liability of the Housing Company in this regard.

Accordingly, an amount of $99,000 was paid by the Housing Company to the Metropolitan Corporation as at the end of 1983 and set up in the Corporate Reserve Fund in the accounts of the Municipality.

11. Residential Tenancies Act

Under the Residential Tenancies Act enacted August 17, 979, residential premises situated in a residential complex wned, operated or administered by a municipality or any gency thereof, were exempted from residential rent ntrols.

12. Contingent Liability

he Company, together with its architect and consulting ngineer, is a defendant in an action for $1,987,000 for costs nd damages allegedly sustained and amounts still due nder the contract with the general contractor on one of its rojects. The Company is also named in a Third Party action ith others in connection with an action against the general ntractor. The amount of this action against all parties is pproximately $3,596,000. The Company is defending these laims and no provision has been made in the accounts xcept for approximately $49,994 recorded as owing under he contract. In the opinion of legal counsel these actions may be settled for a considerably lesser amount.

13. Comparative Figures

Certain of the 1982 figures presented here for comparative purposes have been reclassified to conform with the current year's presentation.

The Metropolitan Toronto Housing Company Limited

Schedule of Deficit from Operation Prior to Completion Date and Accumulated Capitalized Loss

For the Year Ended December 31, 1983

Schedule I

Revenue	1983	1982
Rentals	$ 654	$ 47
Other	7	1
	661	48
Expenditure		
Wages and security	133	22
Municipal taxes	194	3
Utilities	86	14
Advertising	20	
Other	68	16
	501	55
Net Operating Loss (Income) Prior to Completion Date	(160)	7
Accumulated Capitalized Loss, Beginning of Year	4,863	4,856
Accumulated Capitalized Loss, End of Year	$ 4,703	$ 4,863

Notes:

1. Net operating expenses of projects prior to the completion date established by agreement for mortgage adjustment purposes are capitalized and funded by an increase in long term financing.
2. During 1983, the Company completed the following projects:

   Blake Towers, Trimbee Court, Empringham Mews, Saranac Apartments, Riverdale Mews, Moore Place. (1982 - Marjory Carton Apartments).

The Metropolitan Toronto Housing Company Limited

Schedule of Special Funds

For the Year Ended December 31, 1983

Schedule II

quipment Replacement Fund	1983	1982
alance, beginning of year	$ 208	$ 114
rovision for year from operating account	113	80
terest earned	17	14
alance, end of year	$ 338	$ 208
onsolidated Tenants' Benefit Fund		
alance, beginning of year	$ 26	$ 21
eceipts		4
nterest earned	2	3
	28	28
Expenditure for the year	3	2
Balance, end of year	$ 25	$ 26

UNCONSOLIDATED SPECIAL PURPOSE FUNDS

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department
12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

February 10, 1984

AUDITOR'S REPORT

To the Chairman and Members of
The Metropolitan Toronto Sinking Fund Committee

I have examined the balance sheet of The Metropolitan Toronto Sinking Funds as at December 31, 1983, and the statements of funds available and required for debenture debt redemption and statements of surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Sinking Funds as at December 31, 1983 and the results of their operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

The Metropolitan Toronto Sinking Funds

Balance Sheet

December 31, 1983
(with comparative figures for 1982)

(in thousands)

	Canadian Fund		U. S. Fund	
	1983	1982	1983	1982
Assets				
Current Assets				
Cash	$ 150	$ 72	$ 93	$ 52
Temporary investments	44,728	30,743	6,300	9,800
Accrued interest	10,615	11,541	3,151	2,306
	55,493	42,356	9,544	12,158
Long Term Investments (note 2)	482,030	520,825	132,604	100,140
	$ 537,523	$ 563,181	$ 142,148	$ 112,298
Liabilities				
Current Liabilities				
Accounts payable	$ 30,760	$ 26,215	$ 914	$ 755
Acturial Requirements and Surplus				
Actuarial requirements	399,416	424,348	118,129	95,140
Surplus:				
Reserve for abatement of future levies	65,806	66,694	7,144	5,124
Unappropriated surplus	41,541	45,924	15,961	11,279
	107,347	112,618	23,105	16,403
Total actuarial requirements and surplus (note 3)	506,763	536,966	141,234	111,543
	$ 537,523	$ 563,181	$ 142,148	$ 112,298

(see accompanying notes)

The Metropolitan Toronto Sinking Funds

Statements of Funds Available and Required for Debenture Debt Redemption

For the Year Ended December 31, 1983
(with comparative figures for 1982)

n thousands)

	Canadian Fund		U. S. Fund	
	1983	1982	1983	1982
unds Available				
rom reserve for abatement f future levies	$ 16,236	$ 14,992	$ 1,206	$ 643
rom current year's receipts:				
Contributions	16,535	14,250	17,860	18,425
Investment income	54,241	54,362	13,962	10,979
	87,012	83,604	33,028	30,047
Funds Required				
Provision for actuarial requirement for current year	45,287	42,011	24,206	23,069
Excess of funds available over funds required	$ 41,725	$ 41,593	$ 8,822	$ 6,978

(see accompanying notes)

The Metropolitan Toronto Sinking Funds

Statements of Surplus

For the Year Ended December 31, 1983
(with comparative figures for 1982)

(in thousands)

	1983			1982
	Unappropriated	Reserve for Abatement of Future Levies	Total	Total
Canadian Fund				
Balance, beginning of year	**$ 45,924**	**$ 66,694**	**$ 112,618**	$ 112,232
Funds used to reduce contributions for current year (note 1(e))		**(16,236)**	**(16,236)**	(14,992)
Excess of funds available over funds required for current year	**41,725**		**41,725**	41,593
	41,725	**(16,236)**	**25,489**	26,601
Refunds to contributors	**(30,760)**		**(30,760)**	(26,215)
Appropriation to reserve for abatement of future levies (note 1(e))	**(15,348)**	**15,348**		
Balance, end of year	**$ 41,541**	**$ 65,806**	**$ 107,347**	$ 112,618
U. S. Fund				
Balance, beginning of year	**$ 11,279**	**$ 5,124**	**$ 16,403**	$ 10,823
Funds used to reduce contributions for current year (note 1(e))		**(1,206)**	**(1,206)**	(643)
Excess of funds available over funds required for current year	**8,822**		**8,822**	6,978
	8,822	**(1,206)**	**7,616**	6,335
Refunds to contributors	**(914)**		**(914)**	(755)
Appropriation to reserve for abatement of future levies (note 1(e))	**(3,226)**	**3,226**		
Balance, end of year	**$ 15,961**	**$ 7,144**	**$ 23,105**	$ 16,403

(see accompanying notes)

The Metropolitan Toronto Sinking Funds

Notes to Financial Statements

For the Year Ended December 31, 1983

Accounting Policies

General

e Sinking Fund Committee maintains separate financial cords for the Canadian dollar and U.S. dollar Funds. parate records are also maintained for the portions of ese Funds subject to differing actuarial rates in the mputation of earnings in order to ensure an equitable stribution of total earnings amongst the various con- butors to the Funds. Transfers of investments between ese individual portions of the Funds, which are authorized om time to time by the Committee to provide for cash flow ligations are treated as sales and purchases respectively ccordingly, the financial statements of each Fund reflect he combined financial operations of each of its portions.

b) Foreign Currencies

The Sinking Fund Committee receives annual levies for the U.S. Fund in U.S. dollars and it is the policy of the Committee to invest such amounts in securities payable in U.S. dollars to meet the par value of sinking fund debentures payable in U.S. dollars. The figures on the financial statements shown for the Canadian Fund and the U.S. Fund are expressed in Canadian and U.S. dollars respectively.

(c) Investments

All investments, other than temporary investments, are purchased with the intention of holding them until maturity and are recorded at cost price adjusted annually for amortization of discount or premium on the basis of the effective annual yield as determined at the date of purchase.

(d) Actuarial Requirements

Actuarial requirements of the sinking fund provisions for debentures of the Metropolitan Corporation represent the amounts required which, together with interest compounded annually, will be sufficient to retire the related debentures at maturity. Such amounts were based on a rate of 3% per annum on debt issued prior to January 1, 1976 and 5% per annum on debt issued after that date, with a rate not exceeding 8% to be effective on debt issued subsequent to February 23, 1983.

(e) Earnings, Surplus and Reserve for Abatement of Future Levies

To the extent that earnings of the Funds are in excess of the amounts required to meet actuarial requirements for retirements in any year, they are transferred to surplus. When funds accumulated in surplus in this manner for debentures issued under any specific by-law exceed the actuarial requirements at that date for that by-law such excess funds may be appropriated to the reserve for abatement of future levies and used to reduce the required contributions in current and future years, subject to prior approval by the Ontario Municipal Board.

In the current year, $15,348,000 in the Canadian Fund and $3,226,000 in the U.S. Fund have been appropriated in this manner, and $16,236,000 in the Canadian Fund and $1,206,000 in the U.S. Fund have been used from the reserve to reduce contribution requirements.

(f) Accounts Payable - Refunds to Contributors

Where amounts have accumulated in sinking fund accounts, relating to specific debenture by-laws, which are more than sufficient to redeem the principal amounts of the related debentures, then any excess funds may be either refunded to contributors or used to increase the amounts at the credit of other sinking fund accounts of the same contributors.

It has been the practice of the Sinking Fund Committee to refund such excess amounts to the contributors with the recommendation that the excess amounts be used to defray the cost of other capital expenditures in lieu of the issue of debentures therefor.

2. Investments at Amortized Cost

nvestments consist of the following:

n thousands)	Canadian Fund		U. S. Fund	
	1983	1982	1983	1982
ebentures issued or guaranteed by:				
overnment of Canada	$ 47,164	$ 46,189	$ 14,433	$ 9,907
rovince of Ontario	25,698	36,278	17,079	14,256
ther provinces	21,757	25,412	22,881	14,366
Municipality of Metropolitan Toronto	316,749	350,367	74,039	57,291
rea municipalities		7		43
ther municipalities	69,960	61,869	4,172	4,277
chool boards	702	703		
	$ 482,030	$ 520,825	$ 132,604	$ 100,140
Par value	$ 514,919	$ 557,200	$ 141,348	$ 107,926
Market value	$ 472,136	$ 506,080	$ 129,705	$ 100,367

3. Total Actuarial Requirements and Surplus

Component parts of the total actuarial requirements and surplus are detailed below:

(in thousands)

	3% Portion		5% Portion	
	1983	1982	1983	1982
Canadian Fund				
Metropolitan purposes:				
General	$ 225,307	$ 229,610	$ 10,692	$ 6,556
Schools:				
Public	24,128	42,413		
Secondary	29,207	38,986		
	53,335	81,399		
Public utilities:				
Waterworks	77,116	79,371	1,932	1,225
Toronto Transit Commission	12,869	11,511		
	89,985	90,882	1,932	1,225
Total Metropolitan purposes	368,627	401,891	12,624	7,781
Area municipality purposes	101,312	108,634	13,072	6,472
Province of Ontario purposes	11,128	12,188		
	$ 481,067	$ 522,713	$ 25,696	$ 14,253
U. S. Fund				
Metropolitan purposes:				
General			$ 44,318	$ 34,962
Schools:				
Public				
Secondary				
Public Utilities:				
Waterworks	$ 5,403	$ 5,403	14,845	11,677
Toronto Transit Commission	2,599	2,599		
	8,002	8,002	14,845	11,677
Total Metropolitan purposes	8,002	8,002	59,163	46,639
Area municipality purposes	1,974	3,156	72,095	53,746
Province of Ontario purposes				
	$ 9,976	$ 11,158	$ 131,258	$ 100,385

Schedule of Actuarial Requirements for Retirement of Debentures

For the Year Ended December 31, 1983
(with comparative figures for 1982)

(in thousands)

	Canadian Fund		U. S. Fund	
	1983	1982	1983	1982
Balance, beginning of year	$ 424,348	$ 432,675	$ 95,140	$ 72,180
Add:				
Actuarial requirements for year	45,287	42,011	24,206	23,069
	469,635	474,686	119,346	95,249
Deduct:				
Par value of debentures matured in year	70,219	50,338	1,217	109
Balance, end of year	$ 399,416	$ 424,348	$ 118,129	$ 95,140

Schedule of Investment Income

For the Year Ended December 31, 1983
(with comparative figures for 1982)

Interest Earned:				
On investments	$ 47,119	$ 47,094	$ 12,373	$ 9,826
On bank deposits	8	18		
	47,127	47,112	12,373	9,826
Add:				
Amortization of discount re investments	7,134	7,269	1,625	1,195
	54,261	54,381	13,998	11,021
Deduct:				
Amortization of premiums re investments	20	19	36	42
	$ 54,241	$ 54,362	$ 13,962	$ 10,979

Five Year Projection of Debenture Maturities

December 31, 1983

	Canadian Fund	U. S. Fund
1983	* 70,219	* 1,217
1984	70,665	142
1985	77,521	
1986	61,598	73,513
1987	76,207	33,405
1988	30,483	107

* The actual maturities are shown for 1983.

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Allan G. Andrews, C.A., *Metropolitan Auditor*

June 27, 1984

AUDITOR'S REPORT

To the Members of the Board of Trustees
The Municipality of Metropolitan Toronto Pension Fund

I have examined the balance sheet of The Municipality of Metropolitan Toronto Pension Fund as at December 31, 1983 and the statement of revenue, expenditure and accumulated pension fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

The Municipality of Metropolitan Toronto Pension Fund

Balance Sheet

December 31, 1983
(with comparative figures for 1982)

(in thousands)

	1983	1982
Assets		
Investments (note 3)	$ 289,503	$ 233,755
Interest receivable	2,945	3,359
Accounts receivable	512	198
Contributions receivable	1,257	1,352
Short term investments	5,362	19,766
Cash	204	151
	$ 299,783	$ 258,581
Liabilities		
Accounts and benefits payable	$ 441	$ 358
Prepaid contributions		23
	441	381
Accumulated pension fund	299,342	258,200
	$ 299,783	$ 258,581

(see accompanying notes)

The Municipality of Metropolitan Toronto Pension Fund

Statement of Revenue, Expenditure and Accumulated Pension Fund

For the Year Ended December 31, 1983
(with comparative figures for 1982)

(in thousands)

	1983	1982
Revenue		
Contributions (note 2)		
Current service	$ 9,555	$ 9,692
Past service	9,102	8,998
	18,657	18,690
Investment income (note 3)	31,674	25,327
	50,331	44,017
Expenditure		
Pensions and other benefits	8,473	6,999
Accumulated contributions refunded or transferred to other pension plans	165	174
Acutuarial fees	63	69
Investment management fees	459	302
Investment consulting fees	19	19
Other expenses	10	17
	9,189	7,580
Excess of Revenue Over Expenditure	41,142	36,437
Accumulated Pension Fund, January 1	258,200	221,763
Accumulated Pension Fund, December 31	$ 299,342	$ 258,200

(see accompanying notes)

Notes to Financial Statements

For the Year Ended December 31, 1983

1. Accounting Policies

a) Investments

nvestments in bonds and equity funds managed externally are carried at cost plus accumulated earnings. Investments n bonds and debentures managed internally are carried at cost adjusted by amortization of the premium or discount on purchase over the term of the issue. Mortgage funds are stated at cost. Real estate fund is stated at cost less accumulated depreciation. Depreciation on the rental building and capital improvements is provided on the sinking fund method in annual amounts increasing at the rate of 6% compounded annually which is sufficient to fully depreciate the building over its estimated useful life of 40 years.

(b) Gains and losses on investments

Gains and losses on investments are recorded only upon sale of such investments and are determined on an average cost basis.

(c) Income recognition

Income on investments is recorded on the accrual basis with dividends being recorded on the ex-dividend date.

(d) Foreign currencies

Stocks purchased or sold in foreign currencies are translated into Canadian dollars using exchange rates prevailing at the date of acquisition or sale of the investments. Dividends received on foreign stocks are translated using exchange rates prevailing on the date of receipt of the dividends. Accrued dividends and market values are translated using year-end exchange rates.

2. Contributions

(in thousands)

	1983	1982
a) Current service contributions		
From employers	$ 4,777	$ 4,845
From members	4,778	4,847
Total contributions	$ 9,555	$ 9,692
b) Past service contributions		
From employers	$ 9,073	$ 8,960
From members	29	38
Total contributions	$ 9,102	$ 8,998

Further contributions from participating employers to meet unfunded past service liabilities total $82,682,000 (1982 - $91,713,000). These contributions will be paid to the fund over periods ending in 1995 and will be credited to revenue as received.

3. Investments and Investment Income

(in thousands)

	1983	1982
a) Investments consist of the following:		
Internally managed bonds and debentures	$ 102,209	$ 117,837
Market value - $88,370,000 (1982 - $103,725,000)		
Net assets of externally managed investment funds		
Bond funds (Schedule 1)	69,910	30,371
Market value - $69,504,000 (1982 - $32,602,000)		
Equity funds (Schedule 2)	94,760	69,088
Market value - $115,896,000 (1982 - $77,020,000)		
Mortgage funds (Schedule 3)	20,660	16,459
Real estate fund (Schedule 4)	1,964	
	$ 289,503	$ 233,755
b) Investment income for the year		
Internally managed bonds	$ 11,329	$ 11,364
Externally managed investment funds		
Bonds	8,707	5,125
Equities	8,379	5,168
Mortgages	2,509	2,091
Real estate	43	
Interest on short term deposits	707	1,579
	$ 31,674	$ 25,327

The assets of the externally managed bond and equity funds are held by a trust company under the terms of a custodial agreement. The funds are managed by certain investment managers under separate management agreements. Net income is retained by each of the managed bond and equity funds for reinvestment by the respective fund managers. A summary of the net assets held in each of the funds is set out in Schedules 1 and 2.

The assets of the externally managed mortgage and real estate funds are held and managed by investment managers under separate management agreements. A summary of the net assets held in each of the funds is set out in Schedules 3 and 4.

Income from the externally managed funds is recorded in the accounts of the Pension Fund as investment income as earned. Management and mortgage acquisition fees are expensed by the Pension Fund as incurred.

4. Actuarial Valuation

The financial statements show only the financial position of the Fund and do not purport to show the adequacy of the Fund to meet obligations for payment of pensions and death benefits to members.

The Fund was reviewed and reported on by an independent actuary as of December 31, 1982. As required by The Pension Benefits Act of Ontario, the actuarial report, including a statement of assets and cost certificate, was filed with the Pension Commission of Ontario. The actuary certified that the Fund was in satisfactory financial condition as at December 31, 1982, subject to continued payment of regular contributions by the members and the employers and the liquidation of an unfunded liability. The present value of the unfunded liability of the Fund decreased from a level of $68,447,000 as at December 31, 1981, the date of the previous actuarial report, to $66,362,000 as at December 31, 1982. The decrease was due to instalment payments made to the Fund during 1982 by the Metropolitan Toronto Corporation and other participating employers.

5. Changes in Financial Position

No statement of changes in financial position has been prepared as such a statement does not give significant additional disclosure. Funds generated were equal to the excess of revenue over expenditure and were applied as follows:

(in thousands)

	1983	1982
Investments	$55,749	$22,035
Changes in short term assets and liabilities	(14,607)	14,402
	$41,142	$36,437

Schedule of Net Assets Held in Externally Managed Investment Funds

December 31, 1983

(in thousands)

Schedule I

	1983				1982
	Managers				
	Manufacturer's Life	Confederation Life	J.R. Senecal	Total	Total
Bonds Funds					
Bonds, issued or guaranteed by:					
Government of Canada	$ 18,600	$ 14,973	$ 6,026	$ 39,599	$ 16,579
Provincial Governments	1,695	4,847	2,753	9,295	4,874
Corporations		2,268	1,787	4,055	4,685
	20,295	22,088	10,566	52,949	26,138
Short term deposits	5,647	1,583	7,788	15,018	3,027
Accrued interest	873	609	245	1,727	1,024
Cash	1	193	69	263	203
	26,816	24,473	18,668	69,957	30,392
Less accrued liabilities	15	14	18	47	21
Net Assets	$ 26,801	$ 24,459	$ 18,650	$ 69,910	$ 30,371
Market Value of Fund	$ 26,576	$ 24,403	$ 18,525	$ 69,504	$ 32,602

Schedule II

	1983			1982
	Managers			
	Buetel Goodman	Jarislowsky Fraser	Total	Total
Equity Funds				
Stocks at cost				
Canadian - common	$ 23,054	$ 24,462	$ 47,516	$ 30,773
Foreign - common	11,624	13,291	24,915	20,654
Canadian - other	970		970	762
	35,648	37,753	73,401	52,189
Short term deposits	14,392	6,340	20,732	16,537
Accrued income	358	226	584	476
Cash	29	78	107	(69)
	50,427	44,397	94,824	69,133
Less accrued liabilities	32	32	64	45
Net Assets	$ 50,395	$ 44,365	$ 94,760	$ 69,088
Market Value of Fund	$ 57,035	$ 58,861	$115,896	$ 77,020

The Municipality of Metropolitan Toronto Pension Fund

Schedule of Externally Managed Mortgage Funds

December 31, 1983

(in thousands)

Mortgages **Schedule III**

Aggregate principal amount of mortgages maturing in the following years and bearing interest as noted:			1983			1982
			Managers			
			Royal Trust	Excelsior Life	Total	Total
Number of Mortgages	Year	Interest %				
	1983		$	$	$	$ 2,302
28	1984	10.75-14.00	888		888	580
7	1985	11.75-18.75	147	491	638	572
14	1986	12.00-20.50	378	1,184	1,562	1,408
15	1987	12.75-19.50	349	3,352	3,701	4,064
27	1988	12.25-19.82	592	7,511	8,103	600
5	1989	10.50-13.50	3,306	939	4,245	3,321
1	1991	11.625		989	989	994
97			5,660	14,466	20,126	13,841
Short term investments (mortgages committed but not yet advanced)				534	534	2,604
Cash						14
			$ 5,660	$ 15,000	$ 20,660	$ 16,459

Schedule of Externally Managed Real Estate Fund

December 31, 1983

	Schedule IV
	Manager Excelsior Life
Rental property, at cost less accumulated depreciation	$ 2,914
Less: Mortgage payable	950
	$ 1,964

Note:

The mortgage payable is secured by a first fixed charge against the rental property and an assignment of leases and rents.

The mortgage bears interest at 11.25% per annum and is repayable as follows until its maturity on June 1, 1987:

1984	$ 9
1985	10
1986	11
1987	920

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Allan G. Andrews, C.A., *Metropolitan Auditor*

June 27, 1984

AUDITOR'S REPORT

To the Members of the Board of Trustees
The Metropolitan Toronto Police Benefit Fund

I have examined the balance sheet of The Metropolitan Toronto Police Benefit Fund as at December 31, 1983 and the statement of revenue, expenditure and accumulated benefit fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

The Metropolitan Toronto Police Benefit Fund

Balance Sheet

December 31, 1983
(with comparative figures for 1982)

(in thousands)

	1983	1982
Assets		
Investments (note 3)	$ 244,901	$ 218,298
Interest receivable	2,486	2,259
Accounts receivable	473	4
Short term investments	19,878	8,860
Cash	28	14
	$ 267,766	$ 229,435
Liabilities		
Accounts and benefits payable	$ 45	$ 555
Accumulated benefit fund	267,721	228,880
	$ 267,766	$ 229,435

Statement of Revenue, Expenditure and Accumulated Benefit Fund

For the Year Ended December 31, 1983
(with comparative figures for 1982)

Revenue		
Contributions (note 2)		
Current service	$ 10,792	$ 10,962
Past service	8,508	24,240
Special	182	2
	19,482	35,204
Investment income (note 3)	29,740	22,988
	49,222	58,192
Expenditure		
Pensions and other benefits	9,801	8,048
Accumulated contributions refunded or transferred to other pension plans	54	207
Actuarial fees	47	42
Investment management fees	451	344
Investment consulting fees	19	19
Other expenses	9	16
	10,381	8,676
Excess of Revenue Over Expenditure	38,841	49,516
Accumulated Benefit Fund, January 1	228,880	179,364
Accumulated Benefit Fund, December 31	$ 267,721	$ 228,880

(see accompanying notes)

Notes to Financial Statements

For the Year Ended December 31, 1983

1. Accounting Policies

(a) Investments

Investments in bonds and equity funds managed externally are carried at cost plus accumulated earnings. Investments in bonds and debentures managed internally are carried at cost adjusted by amortization of the premium or discount on purchase over the term of the issue. Mortgage funds are stated at cost. Real estate fund is stated at cost less accumulated depreciation. Depreciation on the rental building and capital improvements is provided on the sinking fund method in annual amounts increasing at the rate of 6% compounded annually which is sufficient to fully depreciate the building over its estimated useful life of 40 years.

(b) Gains and losses on investments

Gains and losses on investments are recorded only upon sale of such investments and are determined on an average cost basis.

(c) Income recognition

Income on investments is recorded on the accrual basis with dividends being recorded on the ex-dividend date.

(d) Foreign currencies

Stocks purchased or sold in foreign currencies are translated into Canadian dollars using exchange rates prevailing at the date of acquisition or sale of the investments. Dividends received on foreign stocks are translated using exchange rates prevailing on the date of receipt of the dividends. Accrued dividends and market values are translated using year-end exchange rates.

2. Contributions

(a) Current service contributions

(in thousands)

	1983	1982
From the Municipality of Metropolitan Toronto	$ 5,396	$ 5,481
From Members	5,396	5,481
Total contributions	$ 10,792	$ 10,962

(b) Past service contributions

Further contributions receivable from the Municipality of Metropolitan Toronto, to meet unfunded past service liabilities total $89,398,000 (1982 - $97,906,000). These contributions will be paid to the fund over periods ending in 1994, and will be credited to revenue as received.

3. Investments and Investment Income

(a) Investments consist of the following

(in thousands)	1983	1982
Internally managed bonds and debentures	$ 72,119	$ 83,113
Market Value - $61,815,000 (1982 - $71,593,000)		
Net assets of externally managed investment funds		
Bond funds (Schedule 1)	57,976	50,143
Market value - $58,329,000 (1982 - $52,422,000)		
Equity funds (Schedule 2)	91,099	66,153
Market value - $107,968,000 (1982 - $73,635,000)		
Mortgage funds (Schedule 3)	21,743	18,889
Real estate fund (Schedule 4)	1,964	
	$ 244,901	$ 218,298

(b) Investment income for the year

(in thousands)	1983	1982
Internally managed bonds income	$ 6,884	$ 7,696
Externally managed investment funds		
Bonds funds income	7,995	6,329
Equity funds income	10,598	5,109
Mortgage funds income	2,831	2,359
Real estate fund income	43	
Interest on short term deposits	1,389	1,495
	$ 29,740	$ 22,988

The assets of the externally managed bond and equity funds are held by a trust company under the terms of a custodial agreement. The funds are managed by certain investment managers under separate management agreements. Net income is retained by each of the managed bond and equity funds for reinvestment by the respective fund managers. A summary of the net assets held in each of the funds is set out in Schedules 1 and 2.

The assets of the externally managed mortgage and real estate funds are held and managed by investment managers under separate management agreements. A summary of the net assets held in each of the funds is set out in Schedules 3 and 4.

Income from the externally managed funds is recorded in the accounts of the Benefit Fund as investment income as earned. Management and mortgage acquisition fees are expensed by the Benefit Fund as incurred.

4. Actuarial Valuation

The financial statements show only the financial position of the Fund and do not purport to show the adequacy of the Fund to meet obligations for payment of pensions and death benefits to members.

The Fund was reviewed and reported on by an independent actuary as of December 31, 1982. As required by The Pension Benefits Act of Ontario the actuarial report, including a statement of assets and a cost certificate, was filed with the Pension Commission of Ontario. The actuary certified that the Fund was in satisfactory financial condition as at December 31, 1982, subject to continued payment of regular contributions by the members and the employer and the liquidation of an unfunded liability. The present value of the unfunded liability of the Benefit Fund decreased from a level of $71,630,000 as at December 31, 1981, the date of the previous actuarial report, to $67,842,000 as at December 31, 1982. The decrease was due to instalment payments made to the Fund during 1982 by the Metropolitan Toronto Corporation.

5. Changes in Financial Position

No statement of changes in financial position has been prepared as such a statement does not give significant additional disclosure. Funds generated were equal to the excess of revenue over expenditure and were applied as follows:

(in thousands)

	1983	1982
Investments	$ 26,603	$ 42,574
Changes in short term assets and liabilities	12,238	6,942
	$ 38,841	$ 49,516

6. Contingencies

Pursuant to an Order of the Divisional Court dated June 15, 1982, and as confirmed by the decision of the Court of Appeal of the Province of Ontario, a member of the Fund established his right to additional credited service in the Fund for a period of employment prior to becoming a police officer. Since then other officers of the police force have made such claims, the costs of which in 1983, have been reflected in the financial statements of the Fund, but other claims may be made in future. Further, a Memorandum of Agreement, dated February 23, 1984, between the Board of Commissioners of Police and the Metropolitan Toronto Police Association provides certain police officers with the option to purchase additional periods of service in the Fund in 1985, in respect of civilian service immediately prior to becoming a police officer. The Actuarial Report for the Police Benefit Fund, as at December 31, 1983, records an increase in the total actuarial liabilities for the Active Members of $3,320,000, as at that date, to provide for the additional costs to the Fund from the provision of such additional optional service for the eligible officers.

Schedule of Net Assets Held in Externally Managed Investment Funds

December 31, 1983

(in thousands)

Schedule I

	1983				1982
	Managers				
	Manufacturer's Life	Jarislowsky Fraser	J.R. Senecal	Total	Total
Bonds Funds					
Bonds, issued or guaranteed by:					
Government of Canada	$ 14,921	$ 3,319	$ 5,422	$ 23,662	$ 13,260
Provincial Governments	1,721	3,582	1,872	7,175	6,693
Corporations		10,138	1,797	11,935	14,253
	16,642	17,039	9,091	42,772	34,206
Short term deposits	4,578	1,328	7,710	13,616	14,481
Accued interest	692	568	165	1,425	1,287
Cash	74	50	80	204	205
	21,986	18,985	17,046	58,017	50,179
Less accrued liabilities	13	11	17	41	36
Net Assets	$ 21,973	$ 18,974	$ 17,029	$ 57,976	$ 50,143
Market Value of Fund	$ 21,780	$ 19,622	$ 16,927	$ 58,329	$ 52,422

Schedule II

	1983				1982
	Managers				
	Jarislowsky Fraser	Royal Trust	Beutel Goodman	Total	Total
Equity Funds					
Stocks at cost					
Canadian - common	$ 15,677	$ 16,458	$ 14,815	$ 46,950	$
Foreign - common	8,169	2,343	7,868	18,380	30,502
Canadian - other	244		608	852	16,796
	24,090	18,801	23,291	66,182	47,298
Short term deposits	3,763		9,496	13,259	18,113
Accrued income	169	86	224	479	399
Cash	22	11,195	29	11,246	391
	28,044	30,082	33,040	91,166	66,201
Less accrued liabilities	24	21	22	67	48
Net Assets	$ 28,020	$ 30,061	$ 33,018	$ 91,099	$ 66,153
Market Value of Fund	$ 38,188	$ 32,212	$ 37,568	$ 107,968	$ 73,635

The Metropolitan Toronto Police Benefit Fund

Schedule of Externally Managed Mortgage Funds

December 31, 1983

(in thousands)

Mortgages						**Schedule III**
			1983			1982
Aggregate principal amount of mortgages maturing in the following years and bearing interest as noted:			Managers			
			Royal Trust	Excelsior Life	Total	Total
Number of Mortgages	Year	Interest %				
	1983		$	$	$	$ 3,501
32	1984	10.25-12.75	1,199		1,199	541
43	1985	11.00-19.50	1,388	491	1,879	1,610
19	1986	12.50-20.50	855	499	1,354	1,250
29	1987	12.75-19.50	1,062	2,543	3,605	3,840
40	1988	12.25-19.82	1,427	6,510	7,937	669
5	1989	10.50-13.50	3,306	939	4,245	3,321
2	1991	11.625		990	990	994
170			9,237	11,972	21,209	15,726
Short term investments (mortgages committed but not yet advanced)				534	534	2,604
Cash						495
Accrued interest income						64
			$ 9,237	$ 12,506	$ 21,743	$ 18,889

Schedule of Externally Managed Real Estate Fund

December 31, 1983

	Schedule IV
	Manager Excelsior Life
Rental property, at cost less accumulated depreciation	$ 2,914
Less: Mortgage payable	950
	$ 1,964

Note:

The mortgage payable is secured by a first fixed charge against the rental property and an assignment of leases and rents.

The mortgage bears interest at 11.25% per annum and is repayable as follows until its maturity on June 1, 1987:

1984	$ 9
1985	10
1986	11
1987	920

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone: (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

February 10, 1984

AUDITOR'S REPORT

To the Members of the Board of Trustees
The Metropolitan Toronto Police Benefit Fund

I have examined the balance sheet of the Supplemental Pension Benefits Trust Fund of the Metropolitan Toronto Board of Commissioners of Police as at December 31, 1983 and the statement of revenue, expenditure and accumulated trust fund for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Trust Fund as at December 31, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

The Municipality of Metropolitan Toronto - Board of Commissioners of Police
Supplemental Pension Benefits Trust Fund

Balance Sheet

December 31, 1983
(with comparative figures for 1982)

	1983	1982
Assets		
Short term investments, at cost, which approximates market	$ 154,000	$ 154,254
Accrued interest	2,133	1,259
Cash	837	132
	$ 156,970	$ 155,645
Liabilities		
Accumulated Trust Fund	$ 156,970	155,645
	$ 156,970	$ 155,645

Statement of Revenue, Expenditure and Accumulated Trust Fund

For the Year Ended December 31, 1983
(with comparative figures for 1982)

	1983	1982
Revenue		
Interest income	$ 14,561	$ 22,001
Donations		20
	14,561	22,021
Expenditure		
Pensions	13,219	18,874
Other expenses	17	7
	13,236	18,881
Excess of Revenue Over Expenditure	1,325	3,140
Accumulated Trust Fund, January 1	155,645	152,505
Accumulated Trust Fund, December 31	$ 156,970	$ 155,645

(see accompanying notes)

The Municipality of Metropolitan Toronto - Board of Commissioners of Police
Supplemental Pension Benefits Trust Fund

Notes to the Financial Statements

December 31, 1983

1. The Supplemental Pension Benefits Trust Fund was established by the Board of Commissioners of Police to provide a fund for the benefit of spouses or dependent children of members of the police force who die as a result of injuries received in the performance of their duties.

2. The Trust Fund is administered by the Board of Trustees of the Metropolitan Toronto Police Benefit Fund. Payments from the Trust Fund are governed by criteria formulated by the Trustees.

3. These financial statements show only the financial position of the Trust Fund and do not purport to show the adequacy of the Trust Fund to make the payments which may be required from time to time in accordance with the criteria established by the Trustees.

THE METROPOLITAN TORONTO SCHOOL BOARD

AUDITOR'S REPORT

To the Chairman and Members of
The Metropolitan Toronto School Board:

We have examined the balance sheet of The Metropolitan Toronto School Board as at December 31, 1983, and the Revenue Fund Statements of Operations, the Statements of Revised Net Revenue Fund Requirement, the Capital Fund Statement of Operations and the Reserve Fund Statements of Continuity for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1983 and the results of its operations for the year then ended in accordance with accounting principles described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Toronto, Ontario
March 30, 1984

PRICE WATERHOUSE
Chartered Accountants
Licence number 677

The Metropolitan Toronto School Board

Balance Sheet

December 31, 1983
(with comparative figures for 1982)

(in thousands)

	1983	1982
Assets		
Current Assets		
Cash	$ 1,292	$ 6,153
Investments at cost	37,858	28,122
Accounts receivable - other	57,514	62,871
Prepaid expense	31	30
	96,695	97,176
Capital Outlay to be Recovered in Future Years (note 1(b))	175,873	194,214
Other Assets		135
	$ 272,568	$ 291,525
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities		
Over-requisition - (elementary)	$ 3,090	$ 2,011
Over-requisition - (secondary)	3,474	2,754
Other	56,150	61,966
Reserve for 1984 tax reduction - secondary		76
	62,714	66,807
Deferred Revenue	9,455	10,973
Net Long Term Liabilities (notes 1(c), 2)	175,873	193,830
Equity in Reserve Funds	23,670	19,915
Unexpended Capital Funds	856	
	$ 272,568	$ 291,525

(see accompanying notes)

The Metropolitan Toronto School Board

Schedule of Assets

December 31, 1983

(in thousands)

	Revenue Fund	Capital Fund	Reserve Fund	Consolidated Balance Sheet Assets
Current Assets				
Cash	$ 1,270		$ 22	$ 1,292
Investments at cost	20,988		16,870	37,858
Accounts receivable				
Municipalities - Supplementary taxes, etc.	34,788			34,788
Other school boards	957			957
Government of Ontario	11,096			11,096
Other	258	$ 10,415		10,673
Due from other funds				
Capital	1,663			
Revenue			6,778	
Prepaid expense	31			31
Total Current Assets	71,051	10,415	23,670	96,695
Capital Outlay to be Recovered in Future Years (note 1(b))		175,873		175,873
	$ 71,051	$ 186,288	$ 23,670	$ 272,568

The Metropolitan Toronto School Board

Schedule of Liabilities

December 31, 1983

(in thousands)

		Revenue Fund	Capital Fund	Reserve Fund	Consolidated Balance Sheet Liabilities
Current Liabilities					
Accounts payable					
Municipalities					
Over-requisitions (elementary)		$ 3,090			$ 3,090
Over-requisitions (secondary)		3,474			3,474
Other school boards		54,618			54,618
Trade payable and accrued liabilities		1,532			1,532
Due to other funds					
Reserve		6,778			
Revenue			$ 1,663		
Total Current Liabilities		69,492	1,663		62,714
Deferred Revenue		1,559	7,896		9,455
Net Long Term Liabilities					
Unmatured debenture debt -	$ 229,208				
Less: Sinking fund (note 3)	53,335		175,873		175,873
Equity in Reserve Funds					
(Elementary)				$ 10,518	
(Secondary)				13,152	23,670
Unexpended Capital Funds			856		856
		$ 71,051	$ 186,288	$ 23,670	$ 272,568

The Metropolitan Toronto School Board

Revenue Fund Statement of Operations for Elementary School Purposes

For the Year Ended December 31, 1983
(with comparative figures for 1982)

(in thousands)

	1983	1982
Expenditure		
Business administration	$ 1,302	$ 1,167
General administration	249	232
Computer services	170	113
Instruction	9,361	3,432
Plant operation and maintenance	1,353	481
Transportation	1,172	370
Tuition fees	15	6
Capital expenditure (non-allocable)	12,067	12,941
Other operating expenditure	554,751	518,160
Debt charges and capital loan interest (note 4)	22,626	23,447
Non-operating expenditure excluding transfers to reserves	12,438	9,783
Total Expenditure	615,504	570,132
Recovery of Expenditure		
Other school boards - tuition fees and miscellaneous	3,047	1,769
Government of Ontario, miscellaneous	9	
Other revenue, excluding transfers from reserves	9,705	8,491
Total Recovery of Expenditure	12,761	10,260
Net Expenditure	$ 602,743	$ 559,872
Financing of Net Expenditure		
Government of Ontario General Legislative Grants	$ 63,811	$ 71,118
Local taxation		
Previous year's over (under) requisition	2,011	8,597
Local taxation raised in the current year	535,403	477,234
Decrease (increase) in reserve other than reserve for refund of taxes	4,608	4,934
Total	542,022	490,765
To be applied to the following year's taxation		
Net under (over requisition)	(3,090)	(2,011)
Total	$ 602,743	$ 559,872

(see accompanying notes)

The Metropolitan Toronto School Board

Revenue Fund Statement of Operations for Secondary School Purposes

For the Year Ended December 31, 1983
(with comparative figures for 1982)

(in thousands)

	1983	1982
Expenditure		
Business administration	$ 801	$ 802
General administration	300	284
Computer services	179	99
Instruction	80	5,075
Plant operation and maintenance	100	776
Transportation	35	758
Tuition fees		5
Capital expenditure (non-allocable)	7,270	8,704
Other operating expenditure	546,009	509,216
Debt charges and capital loan interest (note 4)	13,757	14,317
Non-operating expenditure excluding transfers to reserves	9,951	8,131
Total Expenditure	578,482	548,167
Recovery of Expenditure		
Government of Ontario, miscellaneous		9
Other revenue, excluding transfers from reserves	13,814	4,168
Total Recovery of Expenditure	13,814	4,177
Net Expenditure	$ 564,668	$ 543,990
Financing of Net Expenditure		
Government of Ontario General Legislative Grants	$ 101,213	$ 104,817
Local taxation		
Previous year's over (under) requisition	2,754	8,827
Refund of taxes for reason of employees' withdrawal or services or lockout	76	
Local taxation raised in the current year	469,655	430,540
Decrease (increase) in reserve other than reserve for refund of taxes	(5,556)	2,636
Total	466,929	442,003
Reserve for refund of taxes		(76)
To be applied to the following year's taxation		
Net under (over) requisition	(3,474)	(2,754)
Total	$ 564,668	$ 543,990

(see accompanying notes)

The Metropolitan Toronto School Board

Capital Fund Statement of Operations

For the Year Ended December 31, 1983
(with comparative figures for 1982)

(in thousands)

	1983	1982
Capital Expenditure		
Fixed assets and work in progress		
Buildings, furniture and equipment	$ 3,082	$ 235
Other		4
Total Capital Expenditure	$ 3,082	$ 239
Capital Financing		
Unexpended funds at beginning of year, or (balance at beginning of year not permanently financed)		
Elementary	$ (379)	$ 4
Secondary	(4)	(233)
Surplus financing returned to Metropolitan Corporation		(4)
Capital expenditure from the revenue fund	4,321	89
Balance at end of year not permanently financed or (unexpended funds at end of year)		
Elementary	(518)	379
Secondary	(338)	4
Total Capital Financing	$ 3,082	$ 239

(see accompanying notes)

The Metropolitan Toronto School Board

Reserve Funds, Statement of Continuity

For the Year Ended December 31, 1983

(in thousands)

For Elementary School Purposes

	Purpose for which the fund was established				
	Reserve Fund for Expenditures to made out of Current Funds for Permanent Improvements	Reserve Fund for Metro-wide Insurance Plan	Board Equity Capital Fund	Ministry Equity Capital Fund	Total
Balance at December 31, 1983	$ 2,981	$ 709	$ 9,324	$ 710	$ 13,724
Total amount provided during 1983	2,947		3,230	1,077	7,254
Earnings on investments during 1983	284	70	957	91	1,402
Total	6,212	779	13,511	1,878	22,380
Transfers to Revenue Fund in 1983	3,940	225	7,697		11,862
Balance at December 31, 1983	$ 2,272	$ 554	$ 5,814	$ 1,878	$ 10,518

For Secondary School Purposes

Balance at December 31, 1983	$ 4,268	$ 581	$ 982	$ 360	$ 6,191
Total amount provided during in1983	4,464	115	3,352	4,869	12,800
Earnings on investments during 1983	668	59	624	54	1,405
Total	9,400	755	4,958	5,283	20,396
Transfers to Revenue Fund in 1983	6,496	308	440		7,244
Balance at December 31, 1983	$ 2,904	$ 447	$ 4,518	$ 5,283	$ 13,152

(see accompanying notes)

Notes to Financial Statements

For the Year Ended December 31, 1983

1. Accounting Principles

The financial statements have been prepared by the Board using accounting principles that are prescribed by the Ministry of Education and are considered appropriate for Ontario School Boards. These principles are in accordance with generally accepted accounting principles except as follows:

(a) Accrual Accounting

Revenue and expenditure are accounted for on the accrual method except for:

(i) No provision is made for interest on unmatured debenture debt from the date of payment to the end of the fiscal year.

(ii) No provision is made to record the liability for retirement and/or sick leave benefits accruing over the working lives of employees.

(b) Fixed Assets

Fixed Assets are charged to current expenditure unless financed by long-term debt. Principal and interest charges on net long-term liabilities are included as expenditures in the period due. Fixed assets including Capital Leases, described as capital outlay to be recovered in future years, are included on the balance sheet only to the extent of the balances of the related net long-term liabilities outstanding and of the related temporary financing at the end of the fiscal year.

(c) Net Long-term Liabilities

Net long-term liabilities represent debenture debt issued by the Municipality of Metropolitan Toronto for school purposes and for which the School Board provides for amounts of principal and interest payable. Debentures are recorded as unmatured debenture debt in the year of sale.

(d) Reserve Funds

Reserve Funds represent funds appropriated for specific purposes which are charged or credited to revenue fund operations in the year appropriated or drawn down, and proceeds from the rental and sale of school sites.

(e) Under/over Requisition of Taxes

The difference between the net expenditures of any year and the amounts received to finance these expenditures is carried forward to the subsequent year to either increase or reduce the net revenue requirement from ratepayers.

2. Net Long-Term Liability Repayments

Of the net long-term liabilities outstanding of $175,872,836, principal amounting to $99,765,837 plus interest amounting to $55,412,066 is payable over the next five years as follows.

Year	Principal	Interest	Total
1984	$ 19,206,678	$ 15,578,402	$ 34,785,080
1985	20,528,611	12,958,187	33,486,798
1986	21,746,381	10,692,616	32,438,997
1987	19,906,167	8,799,741	28,705,908
1988	18,378,000	7,383,120	25,761,120

3. Sinking Fund

The Sinking Fund of $53,335,000 consists of the actuarial requirement of the Sinking Fund of $48,494,056 and accumulated surplus of $4,840,944. Of the $4,840,944, an amount of $3,344,613 has been approved as a reduction of future sinking fund deposits by the Ontario Municipal Board.

Interest at the Statutory rate of 3% over the remaining life of the Sinking Fund Debentures will reduce the amount to be recovered from future tax levies by an additional $1,496,332. Interest earned in excess of 3% may, with the approval of the Ontario Municipal Board, be used to further reduce the amounts to be recovered from future tax levies.

4. Debt charges and Capital Loan Interest

The Revenue Fund expenditure for debt charges and capital loan interest includes principal and interest payments as follows:

	Elementary	Secondary
Principal payments on long-term liabilities including contributions to sinking funds	$ 11,528,550	$ 6,418,896
Interest payments on long-term liabilities	11,097,754	7,338,065
	$ 22,626,304	$ 13,756,961
Interest expense (earned) on temporary financing of capital projects	5,832	(272,719)
	$ 22,632,136	$ 13,484,242

5. Unfunded Pension Liaility

In 1980, the School Board agreed to fund an amendment to the pension plan to improve retirement benefits for eligible non-teaching employees in the public school boards of Metropolitan Toronto. The cost, as calculated by independent actuaries, is being funded over fifteen years in amounts of $2,384,601 from 1980 to 1982 inclusive, and $2,670,261 thereafter.

6. Sick Leave Credit Gratuity

Under the sick leave credit gratuity plan, employees may become entitled to a cash payment upon retirement, upon becoming totally and permanently disabled, or upon death. The gratuity is based on one-half of the employee's accumulated unused sick leave credits and the statutory limits. The amount of the retirement gratuities paid in 1983 was $31,440 and in 1982 was $35,150.

It is estimated that the contingent liability associated with the accumulated sick leave credits for all employees amounted to $1,006,702 at December 31, 1983. No provision has been made for the contingent liability with respect to the sick leave credit gratuity plan

7. Ontario Inflation Restraint Programme

Salaries and wages paid by the School Board are subject to the Ontario Inflation Restraint Programme under the terms of the Inflation Restraint Act, 1982.

8. Commitment

Approximately $1.3 million will be required to complete construction in progress.

Selected Economic Indicators of Metropolitan Toronto 1983

Number of Dwelling Units Completed						11,011	
Value of Building Permits Issued:					$	2,118,919,000	
Residential		$	1,123,581,000				
Industrial and Commercial			842,662,000				
Institutional and Government			152,676,000				
Public Schools (Elementary and Secondary)						609	
Paved Roads:						5,111	km
King's Highway			106	km			
Metropolitan			726	km			
Area Municipalities			4,279	km			
Toronto Transit System - Kilometres Operated						181,739,000	
Sewers:						11,436	km
Metropolitan			348	km			
Area Municipalities			11,088	km			
Watermains:						5,509	km
Metropolitan			455	km			
Area Municipalities			5,054	km			
Water Consumption						481,074,299	m^3
Cheques Cashed - Toronto Clearing House					$	5,553,558,869,000	
Stock Exchange	- Average Number of Shares Traded Daily					9,700,000	
	- Average Daily Value				$	120,300,000	
Harbour Cargo Tonnage						1,826,000	tonnes

General Information

Socio-Economic Profile

The Municipality of Metropolitan Toronto was incorporated in 1953 as a regional government by an Act of the Province of Ontario. Located on the north shore of Lake Ontario, it consists of six municipalities namely, the Cities of Toronto, North York, Scarborough, Etobicoke, York and the Borough of East York.

As used herein, the term "Metropolitan Corporation" refers to The Municipality of Metropolitan Toronto; the term "Metropolitan Area" refers to the area governed by the Metropolitan Corporation and the term "Area Municipalities" refers to the six constituent municipalities noted above.

The Metropolitan Area, covering 244 square miles and extending approximately 25 miles along the north shore of Lake Ontario, forms the nucleus of a continuous zone of heavily populated, industrialized cities clustered around the north-western shore of Lake Ontario. It is the centre of an extensive and diverse manufacturing, retailing, transportation and financial system. A majority of businesses which provide service on a national basis, such as advertising, accounting, printing and publishing, travel and industrial research, are headquartered in the Metropolitan Area.

Approximately 33% of Canada's retail market is located within 100 miles of Metropolitan Toronto. During 1983, the Toronto Census Metropolitan Area (the Toronto C.M.A.) accounted for 93% and 64% of the cheques cashed in Ontario and Canada, respectively, while The Toronto Stock Exchange, with a trading dollar value of $30.2 billion, accounted for approximately 77% of the activity on all the Canadian stock exchanges.

The following table shows the distribution of the labour force of the Toronto C.M.A. according to the federal decennial census of 1981 (the latest data published).

	% of Total
Business and Community Services	28.6
Manufacturing	25.9
Trade	
Wholesale	6.2
Retail	11.3
Finance, Insurance and Real Estate	8.2
Transportation, Communication and Utilities	7.7
Construction	5.2
Public Administration	4.9
Agriculture, Forestry, Fishing and Mining	0.8
Other	1.2

Source: Statistics Canada

By virtue of its varied industrial base and highly developed service sectors, the Metropolitan Area enjoys the highest total income and total disposable income of any municipal area in Canada. In 1983, the Toronto C.M.A. with 12.3% of the national population, reported 14.6% of the nation's personal disposable income which, on a per capita basis, was 18.1% above the national average.

The Metropolitan Area had a population of 2,207,918 at December 31, 1983, which represented approximately 9% of the population of Canada and approximately 25% of the population of Ontario. The following table sets forth the estimated population of each of the Area Municipalities at such date:

	Population	% of Total
City of Toronto	650,354	29.5
City of North York	568,948	25.8
City of Scarborough	448,678	20.3
City of Etobicoke	300,827	13.6
City of York	135,049	6.1
Borough of East York	104,062	4.7
	2,207,918	100.0

Source: Assessment records of the Province of Ontario

Since 1971, the population of the Metropolitan Area has remained relatively constant while the populations of Ontario and Canada have each increased at average annual compound rates of approximately 1.2%.

Year	Metropolitan Area	Ontario	Canada
1971	2,089,729	7,703,106	21,568,311
1976	2,124,291	8,264,465	22,992,604
1981	2,168,712	8,628,000	24,195,000
1983	2,207,918	8,815,100	24,886,800

Sources: Statistics Canada and assessment records of the Province of Ontario.

The Metropolitan Corporation was the first community in North America to adopt, as a concept and a structure for local government, a regional federation of municipalities. The governing principle of the Metropolitan Corporation is that certain services common to the entire Metropolitan Area, which currently include public transit, police protection and social welfare, are the responsibility of the Metropolitan Corporation. On the other hand, services of a more local nature, which currently include fire protection, certain utility services and collection of property taxes, are the responsibility of the individual Area Municipalities. The remaining responsibilities are divided between the Metropolitan Corporation and the Area Municipalities depending on whether such function has been defined as "area-wide" or "local" in scope.

General Tax Levy

The Metropolitan Corporation levies sums of money, not mill rates, on the constituent area municipalities. However, it has been customary, for purposes of yearly comparisons, to express the total general levy in terms of an "average equivalent mill rate". The actual mill rates levied for Metro purposes by area municipalities vary from this "average", due to a combination of factors.

The assessment figures used for purposes of apportionment of the Metro levy include, in addition to taxable amounts, the assessed value of all properties for which the area municipalities receive payment in lieu of taxes and also equivalent assessments in respect of telephone and telegraph company receipts and certain Provincial grants.

In accordance with Provincial legislation, the Metro general levy requirement, before deducting the per capita grants received by Metro from the Province, is first apportioned over the six area municipalities on the basis of this adjusted total general Metropolitan assessment. The resultant amounts are then reduced by the respective area municipality's share of the per capita grant on a population rather than an assessment basis in order to determine the net amount of money to be actually levied upon each area municipality. Such sums are converted by each area municipality into its own residential and commercial mill rates, ***based on taxable assessments***, with the residential rate established at 85% of the commercial rate. These rates will differ from the Metro "average mill rate", which is simply an expression of the net Metro levy in relation to the total Metro "equalized assessment" used in the apportionment process.

Sale of Water to Area Municipalities

The Water Supply Division of the Metropolitan Works Department is responsible for the supply of potable water of the highest standard of quality conforming to the requirements of Provincial and Federal Acts and Regulations in a quantity sufficient for the requirement of the citizens of the Metropolitan Toronto Area. The service is operated 24 hours a day, 7 days a week.

The Water Supply Division undertakes the treatment, pumping, trunk transmission, storage and supply of water for the Cities of Toronto, North York, Scarborough, Etobicoke and York, the Borough of East York, as well as to the southerly portion of the Regional Municipality of York, under agreement with the Province of Ontario.

Water rates for this municipal enterprise are required by law to be set at a level that will enable the Waterworks System to be selfsustaining after providing for such maintenance, renewals, debt charges and reserves as the Metropolitan Council deem proper, and any surplus revenues not required for such purposes must remain at the credit of the System.

Sewer Surcharge on Sale of Water to Area Municipalities

The Metropolitan Council is empowered to add a surcharge of such percentage as it may determine to the water rates and the proceeds of such surcharge shall be deemed not to be revenue of the Waterworks System but be applied or expended for the purpose of collecting or receiving from the area municipalities sewage and land drainage and the treatment or disposal thereof.

Metropolitan Toronto School Board

The Metropolitan Toronto School Board is required to provide each area municipality school board with the total funds necessary to provide an educational program, having regard to each area municipality's varying needs. The approved net requirements of the six area school boards, together with the Metropolitan Toronto School Board's own requirements, are combined into a composite budget, which in turn becomes the basis of the Metropolitan levy upon the area municipalities for education purposes each year. Legislation also permits the local school boards to levy upon their municipalities, within prescribed limits, for sums required in excess of those provided by the Metropolitan Toronto School Board.

In addition, the Metropolitan Corporation has the exclusive power to issue debentures on behalf of the School Board to finance the cost of new schools and other capital expenditures.

Authority to Borrow

Under its statutory powers, the Municipality has the sole responsibility for borrowing money for its own account, its local boards and municipal enterprises and, further, on behalf of its area municipalities and their local boards and municipal enterprises. In addition, it has assumed certain debt incurred directly by its area municipalities prior to this statutory responsibility. Where money is borrowed, or debt assumed, on behalf of other bodies, repayment of the related debt servicing requirements is made by these bodies to the Municipality.

The obligations of the Metropolitan Corporation with respect to debenture debt accordingly divide into two categories, namely:-

(a) the obligation to provide funds to the Area Municipalities for payment of all outstanding debenture debt issued by them prior to 1954 for school purposes and for works transferred to the Metropolitan Corporation (debenture debt in this category is referred to as "Assumed"), and

(b) the obligation to repay holders of debentures issued by the Metropolitan Council for the purposes of:

(i) The Metropolitan Corporation, including the Toronto Transit Commission, the Metropolitan Waterworks System and the Metropolitan Library Board;

(ii) any Area Municipality;

(iii) Boards of Education in the Metropolitan Area, not including the Separate School Board.

Population, Area & Assessment of the Area Municipalities Comprising the Municipality of Metropolitan Toronto

	Population*		Area		Assessment*	
Municipality	Number	% of Total	Square Km	% of Total	Total General (in thousands of dollars)	% of Total
City of Toronto	614,763	28.72	98.2	15.53	3,366,301	39.44
City of North York	560,443	26.18	176.1	27.87	2,014,194	23.60
City of Etobicoke	296,767	13.87	125.1	19.80	1,261,613	14.78
City of Scarborough	435,980	20.37	187.8	29.71	1,279,453	14.99
City of York	132,946	6.21	23.6	3.73	323,899	3.79
Borough of East York	99,448	4.65	21.2	3.36	289,786	3.40
Totals	2,140,347	100.00	632.0	100.00	8,535,246	100.00

*Population and assessment for 1982 as basis for distribution of Metropolitan Levy in 1983.

Distribution of Metropolitan General Levy - 1983

(in thousands)

	Area Municipalities						
	City of Toronto	City of North York	City of Etobicoke	City of Scarborough	City of York	Borough of East York	Total
Assessment	3,366,301	2,014,194	1,261,613	1,279,453	323,899	289,786	8,535,246
Levy Before Crediting Per Capita Grant	236,139	141,292	88,500	89,751	22,721	20,328	598,731
Approx. % of Total	39.44	23.60	14.78	14.99	3.79	3.40	100.00
Per Capita Grant	18,086	15,747	8,310	12,207	3,780	2,911	61,041
Net Levy After Crediting Per Capita Grant	218,053	125,545	80,190	77,544	18,941	17,417	537,690
Approx. % of Total	40.55	23.35	14.92	14.42	3.52	3.24	100.00

Distribution of Metropolitan Educational Levy - 1983

(in thousands)

		Area Municipalities						
		City of Toronto	City of North York	City of Etobicoke	City of Scarborough	City of York	Borough of East York	Total
1	1983 Levy Requirements	211,926	120,353	74,923	78,908	18,630	18,834	523,574
	Adjustment 1982 Levy	81	(56)		119	(151)	7	
	1983 Adj. Levy Requirements	212,007	120,297	74,923	79,027	18,479	18,841	523,574
	Approx. % of Total	40.49	22.98	14.31	15.09	3.53	3.60	100.00
2	1983 Levy requirements	177,757	109,678	68,621	69,563	18,208	16,117	459,944
	Adjustment 1982 Levy	14	6	(14)	125	(134)	3	
	1983 Adj. Levy Requirements	177,771	109,684	68,607	69,688	18,074	16,120	459,944
	Approx. % of Total	38.65	23.85	14.92	15.15	3.93	3.50	100.00
3	1983 Adj. Levy Requirements	389,778	229,981	143,530	148,715	36,553	34,961	983,518
	Approx. % of Total	39.63	23.38	14.59	15.12	3.72	3.56	100.00

1 Public
2 Secondary
3 Total Education Levy

Summary of Distribution of Metropolitan Levy - 1983

(in thousands)

Area Municipality	– General Levy –	——— Educational Levy ———			—— Total Levy ——	
		Public	Secondary	Total	Amount	Approx. % of Total
City of Toronto	$ 218,053	$ 212,007	$ 177,771	$ 389,778	$ 607,831	39.96
City of North York	125,545	120,297	109,684	229,981	355,526	23.37
City of Etobicoke	80,190	74,923	68,607	143,530	223,720	14.71
City of Scarborough	77,544	79,027	69,688	148,715	226,259	14.87
City of York	18,941	18,479	18,074	36,553	55,494	3.65
Borough of East York	17,417	18,841	16,120	34,961	52,378	3.44
Totals	$ 537,690	$ 523,574	$ 459,944	$ 983,518	$ 1,521,208	100.00

Statement of Tax Levies and Collections of the Metropolitan Area Municipalities, 1983

(in thousands of dollars, except per capita figures)

Area Municipality	Current Tax Levies — (including penalties and interest) —					Tax Collections as% of Current — Tax Levies —	
	For Own Purposes	For Purposes of Metropolitan Corporation	For School Purposes	Total Taxation	Per Capita	Current	Current and Arrears
Borough of East York	$ 16,083	$ 17,534	$ 37,483	$ 71,100	$ 714.94	97.36	101.03
City of Etobicoke	59,471	80,586	159,209	299,266	1,008.42	96.70	99.92
City of North York	95,824	125,154	253,858	474,836	847.25	97.05	100.00
City of Scarborough	74,723	75,316	158,801	308,840	708.38	97.56	100.66
City of Toronto	201,796	224,324	424,799	850,919	1,384.14	95.48	100.79
City of York	25,424	19,064	41,821	86,309	649.20	94.91	98.17
Total	$ 473,321	$ 541,978	$ 1,075,971	$ 2,091,270	$ 977.07	96.36	100.37

Comparative Statement of Population, Tax Levies and Collection of the Metropolitan Area Municipalities

(in thousands of dollars, except per capita figures)

Year	Population (as determined by the Regional Assessment Office)	Total Current Tax Levy		Tax Collection as % of Current Tax Levy	
		Amount	Per Capita	Current	Current and Arrears
1957	1,380,775	$ 153,209	$ 110.96	93.73	98.74
1958	1,429,207	167,534	117.22	94.41	99.65
1959	1,487,348	195,513	131.45	94.24	98.28
1960	1,527,105	216,675	141.89	93.75	98.16
1961	1,576,464 (2)	233,638	148.20	93.83	98.57
1962	1,625,405	253,399	155.90	93.96	98.59
1963	1,677,708	275,510	164.22	94.11	98.55
1964	1,744,331	306,335	175.62	94.33	98.76
1965	1,802,006	337,175	187.11	94.62	98.87
1966	1,845,904 (2)	382,465	207.20	94.60	98.69
1967	1,887,798	453,893	240.44	94.82	98.63
1968	1,906,041	463,603	243.23	95.72	100.08
1969	1,935,145	495,508	256.06	95.52	98.35
1970	2,003,679	569,369	284.16	95.25	98.36
1971	2,058,563 (2)	568,151	275.99	95.89	99.02
1972	2,115,318	668,345	315.95	95.08	97.63
1973	2,118,821	676,264	319.17	95.57	99.05
1974	2,124,095	743,434	350.00	94.84	99.09
1975	2,153,381	864,469	401.45	94.33	98.60
1976	2,156,262 (2)	993,538	460.76	94.92	99.66
1977	2,150,151	1,160,066	539,53	94.85	97.42
1978	2,137,867	1,228,970	574.86	95.70	100.35
1979	2,155,724	1,343,837	623.38	95.35	99.55
1980	2,168,712	1,471,874	682.77	96.25	100.90
1981	2,189,180 (2)	1,650,998	761.28	95.83	99.83
1982	2,140,347	1,891,075	863.83	96.04	99.96
1983 (1)	2,207,918	$ 2,091,270	$ 977.07	96.36	100.37

Notes: (1) For breakdown by Area Municipality, see previous page.
(2) Census of Canada figures: 1956 - 1,358,028; 1961 - 1,618,787; 1966 - 1,881,691; 1971 -2,086,017; 1976 - 2,124,291; 1981 - 2,137,395

Metropolitan Toronto, Schedule of Revenues and Expenditures

For the Year Ended December 31, 1983

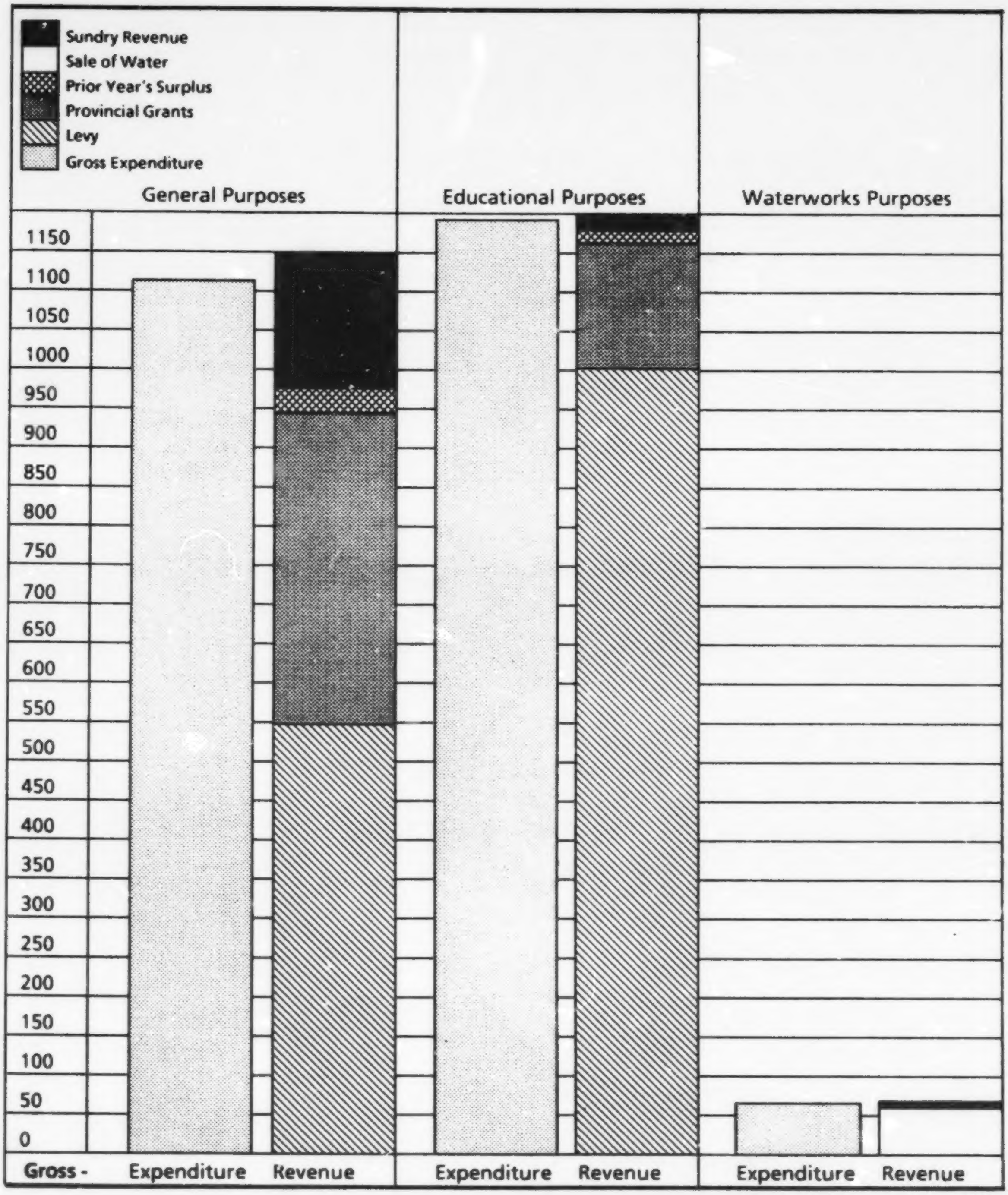
(in thousands of dollars)

Classification	Gross Expenditures including Debt Charges	Provincial Grants	Sundry Revenues	Net Expenditures
General				
General Government	$ 53,883	$ 166	$ 53,348	$ 369
Protection to persons and property	315,467	37,109	9,156	269,202
Transportation services	200,526	72,246	4,029	124,251
Environmental services	121,423	628	63,571	57,224
Health services	34,372	18,213	628	15,531
Social and family services	322,282	200,061	29,087	93,134
Recreation and cultural services	60,838	1,144	12,785	46,909
Planning and development	5,133	313	66	4,754
	1,113,924	329,880	172,670	611,374
Less: Unfunctionalized Revenues:				
Surplus from 1982				33,323
General levy				537,690
Share of Supplementary Taxes				11,631
General Support Grant				36,194
Regional Per Capita Grant				23,980
Resource Equalization Grant				7,885
Surplus - General				39,329
Education	1,193,986	165,024	25,703	1,003,259
Less: Unfunctionalized Revenues:				
Surplus from 1982				4,765
Educational levy				983,518
Share of Supplementary Taxes				21,540
Surplus - Education				6,564
Waterworks (self-sustaining)	65,877		69,558	3,681
Surplus - Waterworks				3,681
Total				$ 49,574

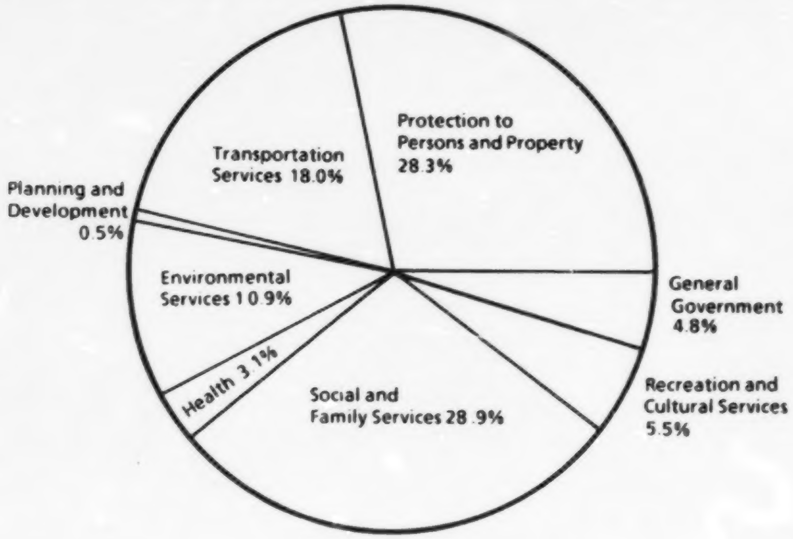
The above schedule of revenues and expenditures in 1983 has been prepared on a functional basis with a view to indicating the cost, both gross and net, of the services and financial obligations for which the Metropolitan Corporation is responsible. Charts on the next three pages portray the information in graphic form.

Metropolitan Toronto, 1983 Gross Expenditure and Revenue

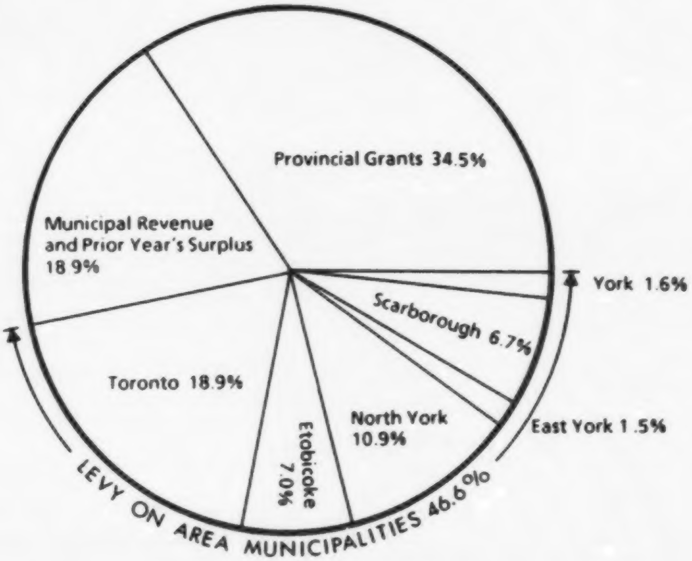
(in millions of dollars)



Metropolitan Toronto, Gross Expenditure and Revenue for General Purposes - 1983

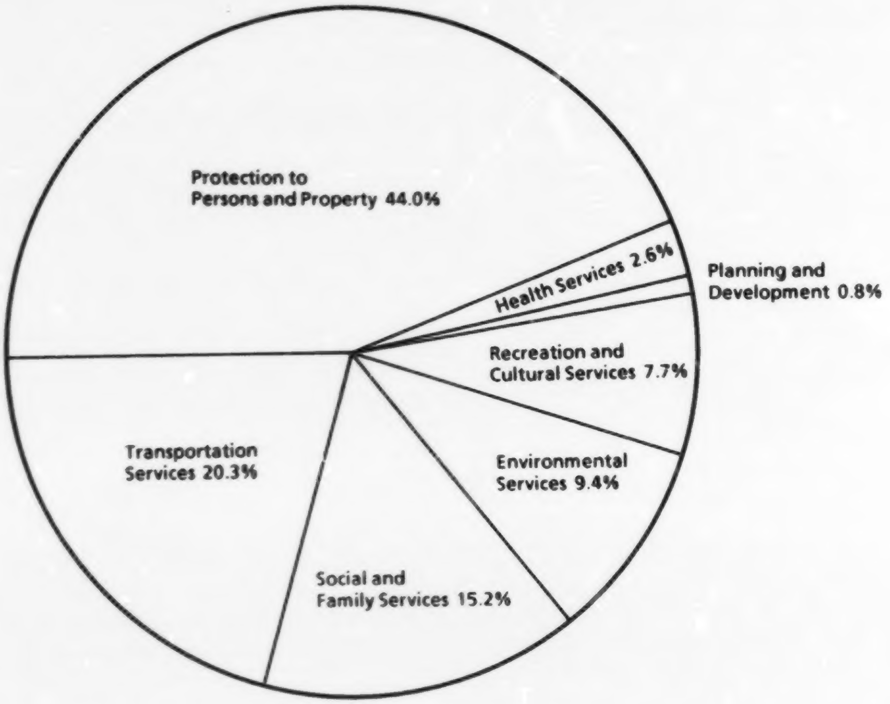


Metropolitan Toronto 1983 Gross Expenditure for General Puroses - $1,113,924,000



Metropolitan Toronto 1983 Gross Revenue for General Purposes - $1,153,253,000

Metropolitan Toronto, 1983 Net Expenditure for General Purposes - $611,374,000



The Municipality of Metropolitan Toronto

Comparative Statement of Capital Expenditures

For the Years 1980 to 1983

(in thousands of dollars)

	Gross Expenditure			
Functional Classification	1980	1981	1982	1983
General				
General Administration and at Large	$ 136	$ 807	$ 815	$ 455
Health & Ambulance Services	5,237	1,996	1,840	2,822
Police	3,790	4,703	3,669	19,905
Conservation	2,633	2,314	1,315	1,528
Roadways	21,423	23,538	22,596	31,421
Traffic Control	376	713	(4)	162
Street Lighting	121	172		(19)
Sewer Systems	12,961	13,225	22,261	22,058
Refuse Disposal	8,484	2,972	2,828	47,978
General Assistance	40	304	769	570
Assistance to Aged Persons	6,393	3,640	4,388	6,151
Day Nurseries	17		144	125
Parks & Recreation	4,484	5,750	5,307	5,264
Libraries	(170)	17		88
Other Cultural Facilities	1,154	1,235	1,586	3,552
Urban Renewal	55	9	25	20
Rapid Transit	44,072	58,261	82,376	132,691
Total General	111,206	119,656	149,915	274,771
Waterworks	8,423	9,330	8,115	6,172
Total	$ 119,629	$ 128,986	$ 158,030	$ 280,943

Contributions from Other Governments, the Revenue Fund(*) and Others (**)				Net Expenditure			
1980	1981	1982	1983	1980	1981	1982	1983
$ 96* 1,213*	$ 770* (1,310)**	$ 780*	$ 433* 450**	$ (1,173)	$ 1,347	$ 35	$ (428)
5,459*	938*	1,208*	2,981* 106**	(222)	1,058	632	(265)
3,151* 648**	5,063* 102**	3,031* 70**	8,799* 3,633**	(9)	(462)	568	7,473
2,752* 16**	2,460* 9**	658* 17**	421* 360**	(135)	(155)	640	747
11,158 4,394* 6,004**	11,460 6,273* 5,786**	7,072 6,466* 7,000**	9,379 3,484* 18,691**	(133)	19	2,058	(133)
197 83*	369 1,076* 57**	(4) 844**	100 20* 17**	96	(789)	(844)	25
61 27*	82		(9) 270**	33	90		(280)
3,384 9,149* 913**	4,853 14,180* 1,750**	4,814 10,200* 2,092**	646 5,577* 4,740**	(485)	(7,558)	5,155	11,095
45 8,707* 48**	52 1,515* 1,761**	10 672* 1,559**	385 12,449* 12,468**	(316)	(356)	587	22,676
40*	304*	769*	570*				
(105) 4,433* 532**	661**	326 1,387* 1,856**	2,258 1,424* 2,846**	1,533	2,979	819	(377)
17* 15**	(94)**	144*	125*	(15)	94		
338* 929**	537 2,763* 2,215**	2,308* 680**	470 1,772* 1,666**	3,217	235	2,319	1,356
	18**		39* 36**	(170)	(1)		13
13 400* 272**	1,178* 141**	985* 383**	2,564* 523**	469	(84)	218	465
4*	9*	25*	20*	51			
33,233 7,368* 7,552**	48,047 10,803* 1,806**	70,528 7,157* 1,585**	101,897 14,631* 1,362**	(4,081)	(2,395)	3,106	14,801
47,986 46,418* 18,142**	65,400 47,332* 12,902**	82,746 35,790* 16,086**	115,126 55,309* 47,168**	(1,340)	(5,978)	15,293	57,168
1,450 4,221* 934**	2,552 3,318* 1,308**	3,613 2,844* 2,046**	547 2,973* 3,943**	1,818	2,152	(388)	(1,291)
49,436 50,639* $ 19,076**	67,952 50,650* $ 14,210**	86,359 38,634* $ 18,132**	115,673 58,282* $ 51,111**	$ 478	$ (3,826)	14,905	$ 55,877

The Municipality of Metropolitan Toronto

Capital Expenditures - 1983

Individual Projects on which expenditures exceeded $5 million

(in thousands of dollars)

	1983 Gross Expenditure	Gross Estimated Cost
Rapid Transit		
Acquisition of 126 Subway Cars	$ 14,328	$ 185,000
Scarborough Light Rail Transit Line	68,601	181,000
Station Modernization	7,133	22,000
Malvern Garage	9,749	17,300
Police		
Expansion of Headquarters	11,709	46,000
Refuse Disposal		
Keele Valley Landfill Site Acquisition	40,283	40,400
Water Pollution Control		
Main Sewage Treatment Plant - Stage 3	14,112	162,250

Summary of Total Debenture Debt Maturities of the Metropolitan Corporation and the Area Municipalities

As at December 31, 1983

(in thousands of dollars)

	Metropolitan Corporation Direct Debt						Debt of Area Municipalities Assumed by Metropolitan –Corporation–		Total Debt of Metropolitan Corporation and the Area –Municipalities–	
	— Instalment —		— Sinking Fund —		— Total —					
	Can. $	U.S. $	Can. $	U.S. $	Can. $	U.S. $	Can. $	U.S. $	Can. $	U.S. $
1984	43,666	6,462	70,665	142	114,331	6.604	78		114,409	6,604
1985	41,434	6,643	77,521		118,955	6,643	84		119,039	6,643
1986	42,071	6,997	61,598	73,513	103,669	80,510	92		103,761	80,510
1987	39,319	6,585	76,207	33,405	115,526	39,990	66		115,592	39,990
1988	34,893	6,382	30,483	107	65,376	6,489	66		65,442	6,489
1989	30,581	6,734	24,981	340	55,562	7,074	74		55,636	7,074
1990	24,631	5,161	25,076	344	49,707	5,505	82		49,789	5,505
1991	23,133	5,400	28,419	50,000	51,552	55,400	91		51,643	55,400
1992	20,970	4,644	39,057		60,027	4,644	99		60,126	4,644
1993	17,246	4,685	125,479		142,725	4,685			142,725	4,685
1994	14,811	4,857	75,721		90,532	4,857			90,532	4,857
1995	11,958	5,044	35,588		47,546	5,044			47,546	5,044
1996	8,869	5,254	15,939	125,000	24,808	130,254			24,808	130,254
1997	6,445	5,205	16,049	55,000	22,494	60,205			22,494	60,205
1998	5,397	2,420	33,576		38,973	2,420			38,973	2,420
1999	3,512	2,656	22,675		26,187	2,656	66		26,253	2,656
2000	2,402				2,402				2,402	
2001	204				204				204	
2002	52				52				52	
2003	58				58				58	
2004	63				63				63	
2005	70				70				70	
2006	76				76				76	
2007	84				84				84	
Total	371,945	85,129	759,034	337,851	1,130,979	422,980	798	–	1,131,777	422,980

Debenture Debt Issued in 1983
Purpose, Type and Term of Issues

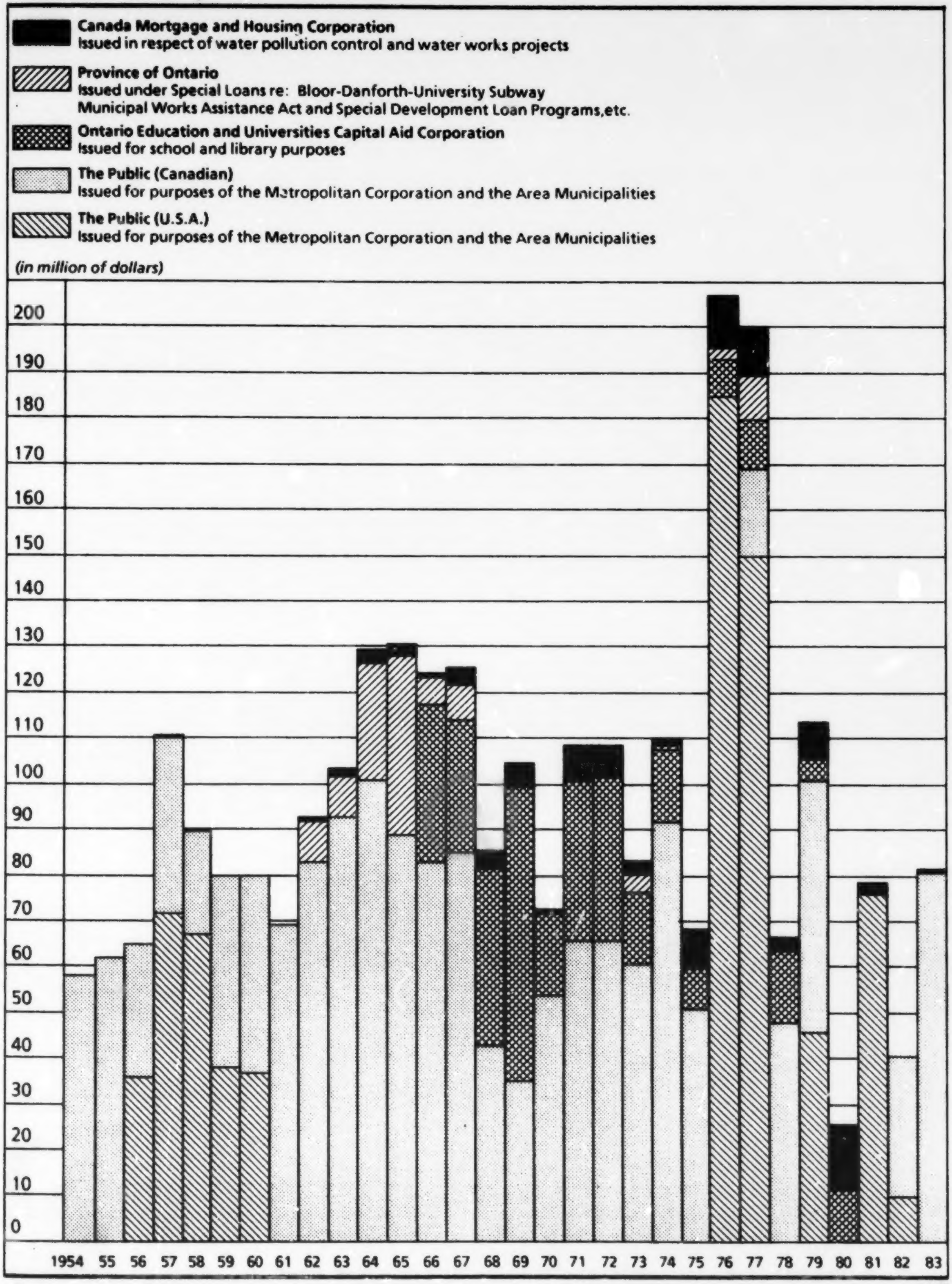
(in thousands of dollars)

Municipality	Purpose of Issue	— Instalment — Term (Years)	$	— Sinking Fund — Term (Years)	$	–Total– $
Metropolitan Corporation	Conservation			10	712	712
	Parks			10	509	509
	Zoo			10	509	509
	Police			10	7,622	7,622
	Highways			10	3,591	3,591
	Refuse Disposal			10	20,710	20,710
	Water Poll. Cont.			10	3,662	3,662
	Landbanking	25	846			846
			846		37,315	38,161
Area Municipalities	East York	5	568	10	1,734	2,302
	Etobicoke	10	11	10	5,061	5,072
	North York	10&15	2,636	10	2,822	5,458
	Scarborough	5,10&15	900	10	5,001	5,901
	Toronto	5	451	10	19,101	19,552
	York	5,10&15	1,675	10	3,966	5,641
			6,241		37,685	43,926
Total			7,087		75,000	82,087

Summary

Public Offerings:		
Sinking Fund Debentures	10-3/4%	35,000
	12%	40,000
Instalment Debentures	10-3/4%	1,402
	10-3/4% & 11-1/2%	2,537
	10-1/2% & 11-1/4%	1,280
	10-1/2%, 11-1/4% & 11-3/4%	425
	10-1/2%, 11-1/4%, 11-3/4% 12-1/4%	586
		81,230
Other Than Public Offerings:		
Canada Mortgage and Housing Corporation	9-5/8%	846
Provincial Shoreline Property Assistance	14-1/4%	11
Total		82,087

Metropolitan Toronto, Debenture Debt Issued Yearly, Classified by Lender



Note: Public Debentures Issued in U.S. Funds are Translated at Rates of Exchange Prevailing at time the Liability was incurred.

Total Debenture Debt of the Metropolitan Toronto Area

(in thousands of dollars - except for population and per capita figures)

	Outstanding as at		
	Dec. 31/83 $	Dec. 31/82 $	Dec. 31/81 $
Area Municipalities' Debentures -			
Assumed by Metropolitan Corporation	**798**	1,849	3,611
Not Assumed		171	408
Total	**798**	2,020	4,019
Metropolitan Corporation Debentures	**1,575,586**	1,616,703	1,676,910
Total Debt of Metropolitan Toronto Area	**1,576,384**	1,618,723	1,680,929
Less:			
Administration of Justice* (Province of Ontario Responsibility)	**13,444**	15,529	15,735
Self-Liquidating Debentures - Toronto Transit Commission	**39,127**	41,031	42,850
Waterworks	**186,175**	195,225	197,605
Hydro-Electric Systems	**17,804**	18,607	20,037
Actual Sinking Funds re Debts other than above	**513,124**	515,550	501,750
Total Net Debt of Metropolitan Toronto Area	**806,710**	832,781	902,952
Population - as determined for assessment purposes	**2,207,918**	2,140,347	2,189,180
Net Debt Per Capita	**365.37**	389.09	412.46
Assessment - As determined for apportionment of Metropolitan levy against Area Municipalities in the following year	**8,025,878**	7,861,781	7,740,847
Net Debt percentage thereof	**10.05%**	10.59%	11.66%

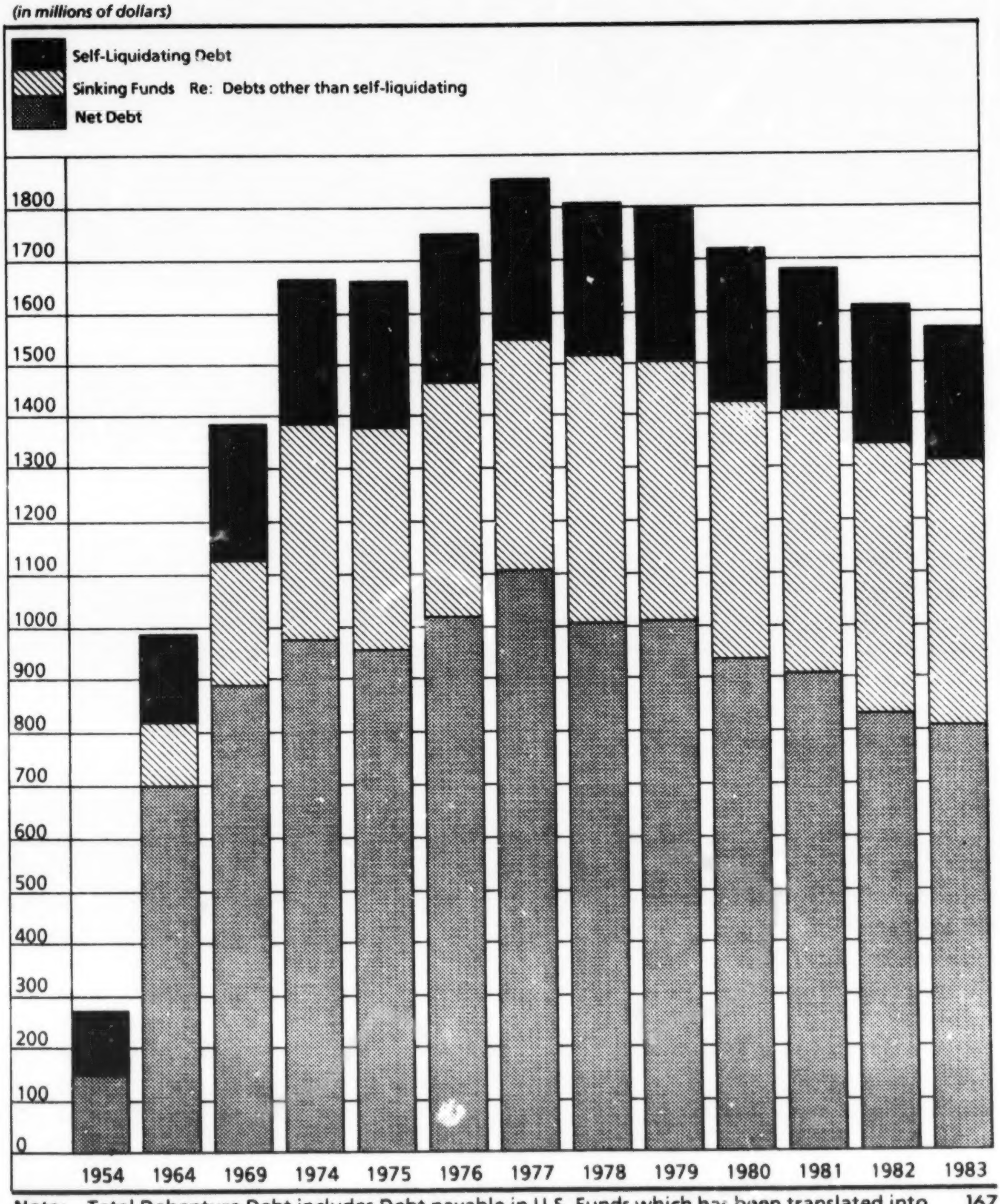
*Municipal responsibilities for the Administration of Justice, e.g., jail, courts, etc., assumed by the Province of Ontario.

	Metropolitan Toronto Debentures	Area Municipalities Debentures		
		Assumed	Not Assumed	Total
Total Debt of Metropolitan Toronto Area as at December 31, 1983	1,575,586	798		1,576,384
Payable in				
Canada	1,130,979	798		1,131,777
United States	444,607			444,607
Total	1,575,586	798		1,576,384

Note: Debenture debt payable in U.S. Funds has been translated into Canadian Funds at the exchange rates prevailing at the time the debt was incurred.

Total Debenture Debt of the Metropolitan Toronto Area

as of December 31



Note: Total Debenture Debt includes Debt payable in U.S. Funds which has been translated into Canadian Funds at the Exchange Rate prevailing at the time the debt was incurred.

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POOR

QUALITY

ORIGINAL